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So That Happened – HP Quietly Ships Its New A3 Lineup

Unlike Its Big Preview in September, HP Ships New A3 MFPs with No Prices and Little Information

On April 5, HP announced that its new line of MFPs for dealers and MPS resellers — what it calls the “world’s most advanced and secure A3 printers” — was now shipping in more than 80 countries. HP was immediately accepting orders for the full lineup of new A3 color and B&W LaserJet MFPs, and we are covering these new models in this issue.

HP planned to begin taking orders for its A3 PageWide Pro inkjet MFPs and printers on May 15, so we will cover those models in the May issue. Meanwhile, shipment of HP’s A3 PageWide Enterprise MFPs is still scheduled for the fall.

Additionally, HP said it plans this fall to expand sales of its LaserJet 436 models to EMEA. This pair of 23 ppm A3 monochrome MFPs was quietly launched in Asia last fall (*The MFP Report, Oct 16*). Unlike HP’s other new LaserJet MFPs, these entry-level devices are pretty much rebadged versions of models that Samsung launched in India in 2014.

HP is to be commended for releasing such a large number of entirely new machines in what is a new product category for the company in the time frame it had promised back at its high-profile announcement late last summer (*The MFP Report, Sep 16*). This is the single largest hardcopy

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Qualcomm's Hardcopy Chip Unit Becomes Independent QBit



At one time, there were a couple dozen or more mostly small, mostly private software and component companies serving decidedly niche needs in the hardcopy industry. Over time, most of these companies were acquired, often by much larger firms. And some others simply fell by the wayside.

Today, the number of such companies is exceedingly small. But in April, it was revealed there was a new addition to that list of print technology providers, an independent hardcopy chip company named QBit Semiconductor. And while the Boston-area company is new, its products and people are established and well known to MFP vendors.

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With No New Devices, Kyocera Helps Dealers Focus on Services

Kyocera is the only office equipment vendor that continues to stick diligently to a 12-month cycle for its Americas dealer meetings. That is great from the perspective of consistency, and dealers seem genuinely pleased with the regularity of the meetings. But this rigid approach means every so often the dealer meeting does not coincide with the product development cycle. And that leaves Kyocera with little to show or say when it comes to new products. Such was the challenge at this year's April 18-20 meeting in Las Vegas.

At its last dealer meeting in May 2016, Kyocera Document Solutions America (*KDA*) had previewed two dozen MFPs to refresh most of its A3 line and a good part of its A4 line, and there were multiple new solutions. All of those

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“Easy, Breezy, Beautiful... and Altogether Inadequate”

When assessing an MFP product launch, I often tell vendors my simple rule of thumb. *If I – an experienced and admittedly compulsive analyst – have a hard time finding a reasonable level of detail on your products, what does that mean for customers who have far better things to do with their time?*

Based on what I’ve experienced over the past couple of months, there’s been a definite downward trend in what vendors seem able or willing to provide. I’m left to conclude there’s a concerted effort among the industry’s leading companies to obfuscate when it comes to their new products. *Tell me. How is this supposed to help sales?*

The latest examples I’ve encountered are quite literally the biggest MFP vendor announcements in recent memory: HP’s massive new A3 product launch; Epson’s pagewidth inkjet A3 device news; Xerox’s big WorkCentre-to-AltaLink upgrade; and Konica Minolta’s Workplace Hub debut. In each case, the announcement and the follow-through have been sadly subpar, to the point where I wonder if many customers will even bother trying to figure out what’s going on.

There have to be some common reasons for the consistent bungling and missed opportunities. It’s not a coincidence. So here’s my take on the top seven causes – and by implication the remedies – for these major marketing misfires.

Consumerization. Bringing consumer products and technologies into business isn’t a bad thing, but the misapplication of consumer marketing norms does a huge disservice to the office MFP industry. What I call the *CoverGirl* approach – easy, breezy, beautiful – has unfortunately become all too common in the business IT world. The focus has shifted to flavor, feeling and fluff at the expense of facts and functionality. Connect the damn dots! It’s not a marketing win when an analyst or would-be customer listens to your big pitch and walks away thinking, *“That’s nice, but what is it this company’s really delivering?”*

The Two-Step. In each of the examples I cited, the vendor opted for a big emphasis on the pre-shipment launch and a much more vague post-partum promise that the details would follow. But just as in Hollywood, a sequel is never as good as the original. There can certainly be good reasons for announcing products months prior to their availability. But those reasons should never include a desire to delay final collateral, setting prices, determining messages, and fine-tuning everything else. Vendors have to be able to maintain a sense of urgency, even after the excitement of the pre-announcement fades.

The Big Picture. Somehow office imaging companies has convinced themselves their mission is only to solve their customers’ absolute biggest

problems. It’s all about security and workflow and mobility and content and cloud and happiness and world peace and on and on. As a result, it doesn’t seem to occur to vendors any longer that they still have to excel at the basics, like speeds, features, options, economics, configurations. It’s clarity on the details that enables buyers to accept those loftier promises.

Doubt. I’m convinced a lot of the dysfunctional marketing I see these days around MFP product announcements can be traced back a fundamental but uncomfortable truth. Vendors don’t really believe their own hype any more. It comes down either to believing more or hyping less. I’m convinced the best way to bridge the gap is for vendors to do a better job providing details and explaining features that deliver real upside to customers. And that includes those pesky pecuniary facts called prices!

Ennui. This is the French word for boredom. But it connotes more than that ... a certain weariness, fatigue and apathy with a whiff of wistfulness and a soupcon of sadness. Increasingly, I think the lack of depth and completeness in MFP announcements can be attributed to vendors who deep down believe there’s really nothing new, interesting, important or different in what they’re bringing to market. And all that fosters a certain laxity when it comes to satisfying the basic requirements of marketing. Meanwhile, I suspect vendors tell themselves it’s really about a lack of resources and too few personnel.

Buck-Passing. All too often too many vendors behave as if there’s some other group down the line that will compensate for their own marketing shortcomings. Offshore vendors look to their regional sales companies to do the job; marketing pushes the task onto sales; and vendors assume channel partners will pick up the slack. But too often, the buck stops before it gets there.

Paranoia. Implicit in some of the reluctance among vendors to perform what used to be considered marketing basics is an irrational fear that such information “will only help my competitors.” *News flash!* ... Your competitors already know this stuff or they will very soon, regardless of what you do or don’t do. So does it really make sense to hobble the ability of your customers and prospects (and analysts and press) to fully appreciate what you’ve got out of some misguided hope you’re impeding competitors?

As the saying goes, *“You only get one chance to make a first impression.”* So stop screwing it up!



Publisher & Editor

COMMENT



“Lately, there’s been a definite downward trend in the kind of information MFP vendors seem able or willing to provide for the blockbuster products they increasingly choose to pre-announce. I’m left to conclude there’s a concerted effort among the industry’s leading companies to obfuscate when it comes to their new products. Please explain to me how this misbegotten approach is going to help sales.”



Ricoh Counting on US Channel Realignment to Drive Global Savings

The biggest MFP business news in April was the unprecedented change in Ricoh's approach to direct and dealer sales across the US. But while almost everyone in the industry was busy talking about what might be going on at Ricoh, no one at Ricoh said anything publicly for a month. It was a painful lesson in how a failure to communicate leaves a company with no control over getting its message understood.

Only after a month of rampant speculation did Ricoh USA finally begin offering an explanation of what it had done and why it had proceeded the way it did. All this has left Ricoh USA fighting to explain and get credit for these pretty significant, fairly reasonable, and probably overdue changes.

It did not help that these momentous changes took place just two months after a major reorganization and change in top leadership was revealed at Ricoh USA (*The MFP Report, Feb 17*). And the changes came less than four weeks before Ricoh in Japan announced very disappointing worldwide financial results for FY2017, which ended on March 31.

Yet even now, Ricoh still has made no effort to link its US go-to-market revamp to the company's broader strategic goals worldwide, even though these specific changes are a key driver of the 19th Mid-Term Management Plan Ricoh released in Japan on April 12. Left hand, meet right hand.

Global Financial Backdrop. Everyone knows this past year has been an unexpectedly difficult one for the hardcopy industry. And ongoing changes in the relative value of key global currencies have had an even greater impact on the financial performance of Japanese hardcopy companies.

In that vein, Ricoh on April 28 released its financial results for FY2017, which ended on March 31. What Ricoh revealed was that it was indeed a very tough year. And things will not be much better in FY2018, which started April 1.

For FY2017, Ricoh reported an 8% drop in revenue to ¥2.03 trillion (\$18.2 billion), a whopping 67% decline in operating profit to ¥33.8 billion (\$304 million), and a staggering 95% decrease in profit to ¥3.4 billion (\$31 million).

A year ago, Ricoh was forecasting "only" a 2% drop in revenue, a 25% decline in operating profit, and a 30% decrease in total profit. And as recently as April 11 — when Ricoh updated its FY2017 forecast to reflect a \$90 million impairment loss in its tiny digital camera business — management was still expecting operating profit would be three times higher and total profit would be 19 times higher than what it reported just 17 days later. Frankly, the magnitude of these miscalculations has raised serious questions as to whether Ricoh management is really on top of the situation.

The big problem in FY2017 was in Ricoh's Imaging & Solutions (I&S) business unit, which generated 88% of the company's total sales. I&S revenue fell 9.2%, and I&S operating margin was down 44%. The drop in sales reflected declines of 11% in the office market (which was 71% of I&S revenue); 7.9% in production print; and 2.4% in network systems solutions. By comparison, revenue was down only 0.5% for Ricoh's Industrial Products, and it was up

2.7% in the rest of Ricoh's businesses.

And while the US seems to be under the microscope, Ricoh's sales were down in all regions outside of Japan. In fact, the 2.7% decline in the Americas was less than the 4.1% drop in EMEA and the 2.8% decrease in Asia/Pacific.

Ricoh's poor track record anticipating the magnitude of its problems in FY2017 might also cause one to question its forecast for FY2018. In the new fiscal year, Ricoh is expecting a modest 1.4% decline in revenue, a further 47% decline in operating profit, and an additional 14% decrease in total profit. Ricoh expects the America's will be its weakest geography in FY2018, with revenue forecast to decline 4.2%. That compares to a 1.5% decline in EMEA, and revenue growth of 0.3% in Japan and 0.6% in the rest of Asia/Pacific. And while Ricoh expects its global office imaging revenue will shrink 3.9% in FY2018, it is forecasting production print revenue will increase 3.3% this fiscal year.

Meanwhile, Ricoh on April 12 had already announced in Japan a plan called "Ricoh Resurgent." That is the theme for the 19th Mid-Term Management Plan covering FY2018 through FY2020. The three pillars of the "Basic Resurgent Plan" are structural reforms, prioritization of growth business, and reinforcing the management system. The overriding strategy is to put higher profit over expanding revenue.

In terms of structural reforms, the plan calls on management to review its focus on in-house manufacturing, revamp direct sales and service, and "leave no stones unturned in screening businesses." Ricoh expects these and other actions will reduce its annual costs by ¥39 billion (\$350 million) in FY2018 versus FY2016, and save ¥100 billion (\$900 million) in FY2020 as compared to FY2016.

So far, however, Ricoh has quantified the cost to implement these structural reforms only for FY2018, when it expects to record a ¥45 billion (\$405 million) charge.

When it comes to pursuing new growth businesses, Ricoh did not provide much detail. For example, Ricoh says it wants to leverage the four million hardcopy devices it has in use at some 1.3 million companies around the world to "provide solutions that help enhance customer productivity and enterprise value." The examples it cites are cloud-based workflow solutions, and combining edge devices with artificial intelligence for improved office communications.

US Channel Realignment. The single largest and most specific source of structural cost savings Ricoh highlighted in its 19th Mid-Term Plan is described as "optimizing the dealer and direct sales structure for the North American SMB market." That change or series of changes is expected to produce annual savings of ¥35 billion (\$315 million) in FY2019. That represents almost half of the entire worldwide savings from all of the structural reforms Ricoh is planning to implement by FY2019. In fact, this is the only structural reform under the 19th Mid-Term Management Plan for which Ricoh has quantified the anticipated savings.

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RICOH
imagine. change.

The largest and most specific source of structural cost savings Ricoh has highlighted in its 19th Mid-Term Plan comes from "optimizing the dealer and direct sales structure for the North American SMB market." That move is expected to produce annual savings of \$315 million in FY2019, which is almost half of the entire worldwide savings from all of the structural reforms Ricoh plans to implement. Ricoh USA talks about helping dealers and getting closer to customers, but saving money is the overriding reason Ricoh will no longer have its branches sell to SMB customers. And that's fine. But it would be refreshing to hear Ricoh USA simply state that fact.

Ricoh: US SMB Revamp *... from p. 3*

It is not clear if this change in go-to-market strategy is a top-down mandate from Ricoh in Japan or a bottom-up initiative from Ricoh USA. It is probably a combination of the two, but the net impact is the same. And it is the drive to slash costs that explains Ricoh's actions in the US in April.

What Ricoh belatedly explained at the end of April is that it has reorganized all of its US sales into three distinct channels. The new strategy was put in place on April 3.

The Enterprise Channel now handles direct sales to the largest enterprises and to global customers, with a "focus on the delivery of sophisticated, more complex services." The Commercial and Industrial Printing (CIP) Channel is to sell production equipment and solutions via specialized product/customer units that are focused on graphic communications; cutsheet, inkjet and wide format; enterprise; public sector; and software. And the Small and Midsize Business (SMB) Channel is now handled by Ricoh, Lanier and Savin dealers or by Ricoh Inside Sales. The respective roles of the dealer channel and Inside Sales is explained below.

The big change implicit in this new channel strategy is that Ricoh Business Solutions (RBS) — the Ricoh direct sales organization with dozens of branch offices across the US — will no longer be engaged with any existing SMB customers and will not add any new SMB customers.

The single most visible aspect of that change was a series of transactions completed on or about April 3 by which Ricoh sold all of its SMB customer MIF in selected markets to 21 dealers. That is out of about 450 total dealers. It was the sensitivity and complexity of these transactions that caused Ricoh not to say anything publicly before the transactions were effected. Since then, Ricoh said it has been focused on making sure the changes were rolled out in the channel, internally and with the affected customers. Ricoh expects the whole transition will take about four months. Ricoh said this was the reason it had delayed talking publicly about the changes in its SMB market coverage.

Ricoh noted this is not the first time it has sold a portion of its MIF to a local dealer. But whereas Ricoh has done five transactions like this in the past five years, these latest 21 transactions all took place simultaneously. And Ricoh does not rule out a few additional similar transactions ongoing.

Ricoh is not releasing the names of the dealers who have purchased portions of its MIF. One dealer, Standley Systems in Oklahoma, has issued a press release stating it acquired 900 of Ricoh's SMB accounts. Ricoh has also not said a lot about the process it used to choose the dealers to whom it sold these portions of its SMB customer MIF, and it has said nothing about the price or terms for these sales.

In each area where it has sold its SMB business, Ricoh said it identified a dealer with whom it wanted to pursue the transaction. Ricoh said it selected mostly larger dealers that were "in an acquisition/growth mode." Unfortunately for Ricoh, this approach has resulted in quite a few dealers among those it did not consider justifiably feeling slighted.

While these dealers no longer have to worry about competing with a local Ricoh branch, each one now faces an even larger and stronger dealer in its territory. It is too soon to know if this resentment will subside, or if it will harm Ricoh's business ongoing with some of these dealers.

What about those geographies where Ricoh did not sell its SMB MIF to a dealer? In those territories, Ricoh has shifted responsibility for all existing SMB accounts from RBS to Inside Sales, which interacts with customers by phone and online. And Ricoh will now rely solely on dealers in those territories to pursue all new sales in the SMB market.

It is difficult to quantify the magnitude of these shifts in Ricoh's channel coverage. Ricoh stated that it sold about one-third of its existing midmarket MIF to those 21 dealers. And Ricoh also said the change enabled it to eliminate about 5% of its US workforce, which was about 25,000 people. That equates to laying off 1,250 employees.

Ricoh is not closing every branch where it has sold MIF, and it continues to seek ways to reduce the total number of branches as it redeploys personnel. Ricoh believes about half of its laid-off sales, service and administrative staff are being picked up by the dealers who acquired its SMB MIF. Not surprisingly, we have heard that a larger proportion of the service staff are being hired relative to sales personnel. Meanwhile, the change is also likely to create some number of new positions in dealer management and inside sales.

There is also the information from Standley in Oklahoma, which said it acquired 900 accounts. If one assumes one or two machines per account and takes 900 accounts as fairly typical, then the transactions with 21 dealers would amount to almost 30,000 machines. Our guess is that the actual size of the combined MIF Ricoh has transferred to those dealers is probably quite a bit larger. One might also assume that responsibility for a roughly comparable number of machines has been transferred from RBS to Inside Sales. So we could be talking about a massive shift of around 100,000 or more machines away from Ricoh direct sales.

In addition, Ricoh explained that these changes will significantly boost the portion of its new placements that come from dealers. That figure stood at 30% several years ago and had grown to 37% last year. Ricoh hinted the changes in serving SMB customers could mean almost half of its new placements will go through dealers before very long.

Ricoh USA has sought to explain this massive market shift as a way for it to "get closer to the customer" and to eliminate competition between its dealers and direct sales force. These statements are true and reasonable, but they beg the question, "Why now?" And the answer clearly has to do with the ongoing downturn in Ricoh's US sales, and an expectation that these tough market conditions are probably the "new normal." Consequently, the overriding justification for the change is to reduce costs. That is made crystal clear by the \$315 million in annual cost savings Ricoh expects this shift will have produced two years from now.

Frankly, Ricoh's US management would gain a lot more credibility from simply acknowledging this fact. ❏



The office equipment industry has for too long been an outlier in the IT world when it comes to the size and role of direct sales. Most IT firms are well aware of the high fixed cost of with a direct sales force. As a result, they utilize those salespeople only for the largest or most complex regional, national and global accounts. In contrast, MFP vendors often use this very expensive resource to sell one or a few machines to small and midsize accounts. While Ricoh USA is in the crosshairs this month for the changes it is making, other MFP vendors will soon find they too need to downsize and redeploy their expensive direct sales organizations.

Xerox's First Post-Split Quarterly Results Leave a Lot to Be Desired

On April 25, Xerox announced financial results for its first three months as a hardcopy company after splitting off its BPO business on December 31. While the Q1 results are still very early in Xerox's transformation exclusively back to printing and document management, the weak numbers were a sobering reminder of the size of the task ahead.

Basically, Xerox in Q1 continued the same trend that has been evident now for quite a few years in the hardcopy side of the old combined Xerox business: declining revenue; aggressive cost control; and decent margins.

However, the earnings per share Xerox reported fell short of what Wall Street analysts had been expecting, and that pushed Xerox's stock price down 1% to close at \$6.99. Between January 1 and April 30, Xerox's stock has traded pretty narrowly between a low of \$6.89 and a high of \$7.54.

Xerox reported its Q1 revenue was down 6.2% from a year ago to \$2.454 billion, although Xerox emphasized the decline was actually 4.3% on a constant currency basis. Moreover, revenue was down in every area of the business.

Q1 revenue was down 4.5% in North America (60% of revenue); off 7.3% internationally (35% of revenue); and down 16.2% in the other miscellaneous 5% of its territories. By product segment, equipment revenue dropped 6.4% for entry-level products; 8.6% for midrange products; and 6.1% for high-end products. That produced an overall 7.4% decrease in hardware revenue. And post-sale revenue, which generates 80% of Xerox's total revenue, dropped 5.8%.

Even in Managed Document Services (MDS) – which

Xerox is counting on for growth – revenue was down 2% to \$819 million. And two caveats regarding that MDS revenue show the true downward trend is worse. First, Xerox in Q1 included about \$50 million in MDS revenue from Global Imaging Systems. Previously, Xerox had never included any revenue from Global Imaging in its MDS figures. Second, the MDS revenue Xerox reported in Q1 did not include about \$50 million in revenue for Communications and Marketing Solutions, which it took back from the BPO side of the business during the split. Xerox has already said it expects that part of the business to shrink 20% this year.

Xerox may have exacerbated the revenue decline by repeatedly pre-announcing its new line of office MFPs in recent months, even though most of the models do not ship until May or June. Essentially, Xerox was telling customers – particularly those in its larger accounts – to wait for its new and better machines. That could mean a slightly better bump in office MFP sales in the second half of 2017.

On the other hand, Xerox stated that revenue in its so-called strategic growth areas – MPS, workflow automation, A4 MFPs and production color – was up 1% in constant currency in Q1 to account for 39% of its total revenue.

Meanwhile, Xerox reported that even though its 38.9% overall gross margin in Q1 was unchanged from a year ago, its net income dropped 53% to just \$16 million. In large part, that is because Xerox reported \$120 million in restructuring and related costs during January-March for its ongoing Strategic Transformation to make the company more efficient and profitable in the longer run. Part of that included laying off approximately 400 employees worldwide in Q1. That was just over 1% of the company's total headcount.

Also contributing to the lower earnings was a \$30 million charge relating to Xerox's 25% interest in Fuji Xerox. The charge was associated with years of accounting losses uncovered at Fuji Xerox New Zealand (story at left).

Despite all of this, Xerox said it was "pleased with our operational results in the first quarter." Although management said "revenue and cash flow were in line with our expectations," one is hard pressed to see the Q1 results as something a dedicated hardcopy vendor can continue to deliver without investors becoming even more disheartened. One would think at some point soon Xerox will have to show it can actually grow its top-line. ❏



The Q1 numbers continued the same trend that has been evident for the past few years in the hardcopy side of the old combined Xerox business: declining revenue; aggressive cost control; and decent profitability. However, the earnings per share Xerox reported fell short of what Wall Street analysts had been expecting, and that pushed Xerox's stock price down 1%.

FX New Zealand Admits Troubles

Xerox had Brazil, OKI had Spain, Ricoh had India, and Fuji Xerox now has New Zealand as the source of unanticipated accounting shenanigans that could lead to sizable downward restatements in its sales and earnings. Fuji Xerox New Zealand reports up through Fuji Xerox Australia, to Fuji Xerox Asia Pacific in Singapore, to headquarters in Japan.

Reports have circulated for months that something unsavory was going on at Fuji Xerox New Zealand. Last fall, the company reported a NZ\$51 million (US\$36 million) loss and a 25% drop in revenue to NZ\$227 million (US\$162 million) in FY2015, which ended on March 31, 2016.

Then on April 20, Fujifilm Holdings (which owns 75% of Fuji Xerox) postponed the April 27 release of its FY2015 results in Japan. Fujifilm stated that irregularities and impacts on Fuji Xerox's net income in New Zealand were larger and reached back further than it had first believed.

So far, Fujifilm has uncovered a multi-year loss of NZ\$285 million (US\$195 million). The company has created an independent investigating committee to examine accounting practices at Fuji Xerox New Zealand. The results of that investigation are expected by late May. In Q1, Xerox already took a \$30 million charge for its anticipated 25% share of certain losses in New Zealand (see above). ❏

Xerox Quantifies Channel Targets

On April 25, the same day it released its Q1 financial results, Xerox hosted 200 current and prospective channel partners at a day-long Xerox Future of Work Partner Forum in New York City. A similar event was hosted the same day in London, and Xerox has planned Future of Work events tailored for end users in Toronto, Chicago, Atlanta, Los Angeles, Milan, Dusseldorf and Paris in coming weeks.

Xerox said its new VersaLink and AltaLink MFPs and related ConnectKey apps will help channel partners increase their sales and profits. It was also the first time Xerox mentioned growth targets for three different parts of its US indirect sales channel, albeit with no particular time frames. First, Xerox said it wants to add 60 office equipment dealers in underserved territories to its current roster of about 190 US dealers. Second, Xerox plans to add 10-20 new US agents while also working with its 300 existing agents to add more salespeople. And third, Xerox said it will authorize and train thousands of new IT resellers and MPS providers in the distribution-led volume sales channel. These are on top of approximately 6,000-8,000 resellers Xerox has in the US.

It's Doctors, Not Documents, That Start Canon Off with a Strong Q1

A cursory look at the first quarter financial statements Canon released in Japan on April 26 might lead one to believe Canon has bucked the trend of poor financial performance that plagued Ricoh, Xerox and other hardcopy vendors at the start of 2017. But that conclusion would be wrong.


Canon did indeed report a great Q1. The results included a 22% surge in revenue to almost ¥973 billion (\$8.8 billion), a fantastic 89% boost in operating profit to ¥76 billion (\$685 million), and an amazing 97% increase in net income to ¥55 billion (\$499 million). Based on that strong start, Canon upped its forecast for FY2017 to show revenue increasing 18% to ¥4.02 trillion (\$36.4 billion), operating profit growing 18% to ¥270 billion (\$2.45 billion), and net income rising nearly 20% to ¥180 billion (\$1.63 billion).

But it would be completely wrong to attribute much of Canon's strong performance in Q1 to positive changes in its consumer, office or production printing businesses.

It is true that revenue grew 0.7% in Canon's worldwide office and production business, and it was up 3.3% in its digital camera and nonproduction inkjet printing business, but the growth in those areas — which generated about 70% of Canon's total revenue in the first quarter — accounted for

just 6% of the total year-over-year increase in sales.

Canon said somewhat contradictory things when describing its Q1 business results. It said demand for MFPs "remained at around the same level as the previous year," but the MFP business was also characterized by "solid demand," although mainly for color models. And while demand for laser printers — its own and those sold by HP — was flat, sales of consumables "started to recover, having bottomed out in the second half of 2016." Demand for Canon's (non-production) inkjet printers was flat overall, with the consumer segment shrinking, but sales grew for its large capacity ink tank models in emerging markets and for other new AIOs.

The other 94% of the increase in Canon's revenue was in the "Industry and Other" category, which generated only about 30% of Canon's total revenue in Q1. It was Canon Medical Systems Corporation (CMSC) that was the overwhelming driver of the sales increase. CMSC is the former Toshiba Medical Systems Corporation, which Canon acquired last year from a desperate Toshiba. The \$5.65 billion deal was announced in May 2016 and closed in December 2016. By the way, even though it was an all-cash deal, Canon still reported having almost \$6 billion in cash on March 31. 



Revenue grew 0.7% in Canon's office and production business, and it was up 3.3% in digital cameras and nonproduction inkjet. But that was just 6% of the total increase in Q1 revenue. Most of the other 94% came from the former Toshiba medical device business.

It Looks Like Foxconn's Sharp Probably Had a Bad Year in Hardcopy

On April 28, Sharp reported its first full fiscal year financial results since it skirted bankruptcy and was purchased by Taiwan's Foxconn in August 2016 for \$3.8 billion. For that amount, Foxconn acquired a two-thirds stake in Sharp, whose shares are still traded on the Tokyo Stock Exchange.

Overall, Sharp's business in FY2016, which ended on March 31, was not as bad as in the prior few years, but the results were hardly impressive. Sharp reported ¥2.05 trillion (\$18.4 billion) in revenue, which was down almost 17% from FY2015 and a decline of 30% from three years ago.

Sharp also reported a ¥24.8 billion (\$223 million) loss, which was 90% less than in FY2015. And it actually had a ¥20.5 billion (\$184 million) profit in the second half. Still, Sharp has lost more than ¥1.4 trillion over the past six years. That is about \$12.7 billion at the current exchange rate.

There are two things to understand about Sharp's hardcopy business. First, MFPs account for a small and shrinking portion of Sharp's overall business and its B2B businesses. Second, it is difficult to get an accurate quantitative take on how the MFP business performed in FY2016.


Sales of what Sharp calls copier/printers are part of the Business Solutions unit, which had worldwide revenue of ¥318 billion (\$2.9 billion) in FY2016. That was just under 15% of Sharp's total revenue last year. Business Solutions revenue was down 10.5% in FY2016, although that was actually the second best performance among Sharp's seven business units, which all shrank in FY2016. The declines in revenue across business units ranged from 5.4% to 33.9%.

In the each of the first three quarters in FY2016, Sharp

reported revenue for its main products, as well as for its business units. Those figures showed sales of copier/printers were just 36% of Sharp's total Business Solutions revenue in the first nine months of FY2016, and just 5.5% of its total worldwide revenue. That means hardcopy was roughly a billion-dollar business at Sharp in FY2016.

The same data showed Sharp's copier/printer revenue in Q1 through Q3 was down almost 21% from the same period in FY2015. However, the gap in year-over-year sales did narrow as FY2016 progressed, from a 28% decline in Q1, to a 4% drop in Q3. We also know Sharp's copier/printer revenue in FY2015 was down 10% from FY2014.

However, Sharp did not publish revenue for its main products when it reported FY2016 year-end results. Instead, there was only this brief qualitative statement: "Sales of

multifunction printers were lower in North America and other markets." Sharp also noted the following as regards FY2016: "Despite efforts to reduce overhead expenses and costs to make up for the impact of lower sales of multifunction printers in North America and other markets, the Business Solutions segment reported a 37.1% year-on-year decrease in operating income." 

Sharp's copier/printer revenue in Q1 through Q3 of FY2016 was down almost 21% from the same period in FY2015. And that was on top of a 10% decline in revenue in FY2014.

DEX Buys Its Largest Dealer in '17

DEX Imaging announced its latest dealer acquisition on April 4. The company that says it is the largest independent office equipment dealer is the US acquired Enoch Office of Timonium, Maryland. The price for the deal was not mentioned, but DEX stated that Enoch has annual sales of \$4.6 million and about 25 employees. That makes Enoch larger than any of the four other small dealers DEX has already purchased this year. Enoch complements an existing DEX location in Hunt Valley, Maryland, although most of DEX's location are further south in Tennessee, the Carolinas, and Florida. Enoch was founded in 1961 and is primarily a Konica Minolta dealer, but it also sells equipment from Xerox, Lexmark and HP.

Kyocera: Dealers Encouraged to Focus More on Services ↻ ... from page 1

products shipped last year. So it was not surprising that KDA showed no new hardware at this year's meeting, and it previewed only a handful of new or updated solutions.

Nonetheless, the 2017 dealer meeting was still one of KDA's largest, attracting more than 1,000 dealer participants. This year's theme was "Navigate Your Success," and Kyocera management repeatedly emphasized to dealers that their success was the company's #1 priority.

Results. Kyocera long has been among the most forthcoming, factual and detailed vendors when it comes to sharing key figures for its hardcopy business. But this year, KDA was a bit more vague. Management spoke mostly in qualitative terms. It stated that FY2017, which ended on March 31, was the eighth consecutive year in which KDA's hardcopy revenue increased, and the sixth year in row in which KDA had achieved record sales across the Americas.

These results reflected 4% growth in the US and Canada together; 17% growth in Mexico; and a 1% increase across the rest of Central and South America. These results are in local currency. In recent years, the US has accounted for about 85% of KDA's revenue, but management this year did not provide an explicit figure for growth in the US market alone. When converted to US dollars, KDA's FY2017 revenue across all of the Americas was up a very respectable 3.8%, as compared to 3.4% growth in FY2016. And unit placements for KDA across the Americas were up 7-8% in FY2017.

In explaining these figures — which are better than many other vendors have been reporting — Kyocera said it has been taking business from smaller competitors, including Toshiba, Lexmark, Samsung and Muratec.

Looking to FY2018, KDA would only say it is expecting an improvement over FY2017. And there is still a longer-term goal for KDA to reach \$1 billion in annual sales.

As with other Japanese companies, the big challenge last year was converting those overseas results back into yen. According to the FY2017 financial results Kyocera subsequently released in Japan on May 2, the company's consolidated worldwide hardcopy revenue last year was down 3.7% to ¥324 billion (\$2.9 billion), but operating profit in that business was up 3.6% to ¥28.1 billion (\$251 million).

The hardcopy business in FY2017 generated 23% of Kyocera's entire global revenue and 19% of its operating profit. Across the company's six product-oriented business units, three did better than the hardcopy business in terms of revenue trajectory, and two business units fared worse.

Plans. Early in the general session, Kyocera outlined five business opportunities/challenges it faces in those segments of the global hardcopy industry in which it competes.

Interestingly, management said its top challenge is price competitiveness. Kyocera noted it presently builds almost all of its A3 devices in China and most of its A4 models in Vietnam. And even though Kyocera MFPs are often regarded as very price competitive, management essentially apologized to dealers for its products not being priced low enough

and for the fact that its devices no longer lead the industry in TCO. To address this, Kyocera said it is increasing its reliance on robotic manufacturing, moving some of its A3 production from China to lower-cost Vietnam, and working to help dealers reduce service costs on its machines.

Kyocera's discussion of the other four opportunities/challenges was less revealing.

In terms of the environment, KDA said customers are demanding lower electricity usage, so it is switching to toners that fuse at lower temperatures and cut power use in half.

KDA noted that businesses are printing less today, particularly in western nations. So Kyocera is focusing more on ECM and BPO. Management pointed to its purchase of German ECM software developer Ceyoniq in 2015, and the US alliance with Hyland partner DataBank announced last fall.

For the first time at a KDA meeting, management also spoke of changes in production printing. But brief references to print-on-demand, variable data printing and transpromo — instead of labels, packaging and industrial applications — sounded very dated. Nonetheless, Kyocera revealed it plans to enter the production print market in 2018 with a homegrown inkjet press. KDA provided no details on the upcoming press, which was not previewed at the meeting.

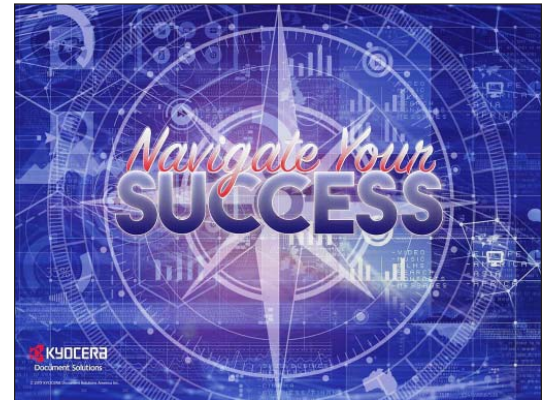
Finally, there was a brief, almost obligatory reference to the Internet of Things. Kyocera stated it plans at some point to leverage IoT for predictive maintenance via its cloud-based Kyocera Fleet Services (KFS) fleet management tool.

KDA then outlined a series of five areas of focus specifically for the Americas in FY2018, which began April 1.

KDA said its top priority is to strengthen its long-standing Total Solutions Dealer (TDS) program with a new TDS 2.0 offering. About half of the 600 or so Kyocera and Copystar dealers across the US are presently TDS certified. By the way, that dealer count was closer to 700 a few years ago. KDA said much of the decline is due to dealers buying other dealers. KDA is careful to say it does not want to push its dealers in new directions; it just wants to be there as a resource to help those dealers who are ready to change.

Management introduced TDS 2.0 with the bold statement that "the next era begins today." Basically, KDA is evolving the TDS program to go "from documents to data" and to help dealers "understand each customer's unique needs." In short, Kyocera says the focus of TDS is shifting from hardware and software to services. In a lot of ways, these changes are now the norm across much of the office equipment industry. For Kyocera as a manufacturer, however, management acknowledged that all of these initiatives still come

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FY2017 was the eighth consecutive year in which Kyocera's hardcopy revenue in the Americas increased, and it was the sixth year in row with record sales. On a consolidated US dollar basis, Kyocera's hardcopy revenue was up 3.8% across all of the Americas. That compared to 3.4% growth in FY2016. And Kyocera's unit placements in the Americas region were up 7-8% in FY2017.

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down to helping dealers sell more machines.

Kyocera is incorporating training and assistance into TDS 2.0 so dealers can provide workflow/business process improvement services, BPO services, and managed IT services. Management pointed to the ECM alliance with DataBank as the main TDS 2.0 proof point (*The MFP Report, Sep 16*). While working with DataBank was initially available only to KDA branches, TDS-certified dealers can now work with DataBank to deliver Hyland ECM solutions to customers.

Next, KDA said it is going after new markets. That seems to reflect a combination of the new services initiatives included in TDS 2.0 and the company's entry next year into the production print market. Although the company's move into production printing is a global initiative, the US will be the top market for Kyocera's upcoming inkjet presses. Meanwhile, management said Kyocera is still looking into production laser devices. This is the same message KDA has been delivering for the better part of a decade, and Kyocera also confirmed it is not developing office inkjet devices.

Reducing costs is another KDA priority. That will be achieved through with the aforementioned changes in manufacturing and through continued enhancement of KFS. KDA said between 200 and 250 dealers have signed up for KFS. And about 100 of those dealers are now actively using KFS to manage more than 40,000 machines in the US and over 10,000 machines elsewhere in the Americas. KDA said dealers are adding over 1,000 machines per week to KFS.

In addition, there is now an API for KFS so dealers and software partners can integrate KFS with various applications dealers use to manage their operations and service.

In the areas of infrastructure, KDA — like every other office equipment vendor — emphasized it wants to be easier for dealers to work with. It pointed to its new KDA Central dealer portal, a new order entry and tracking site, and a new end-user web site. All of these were to go live in May.

Finally, KDA spoke of the importance of evolution. Management noted the need for KDA to continue "investing in a corporate culture that provides intangible strength" and to be the best dealer partner in the office equipment industry.

Previews. As noted, Kyocera did not preview any new MFPs or printers in Las Vegas. And next year's inkjet press was mentioned only in passing and was not shown. However, KDA did preview several new or updated apps, solutions and connectors it plans to ship later this year.

Management also stated Kyocera is trying to take a more global perspective when it comes to software development, rather than having each region create its own solutions independently. In addition, KDA is trying to simplify and standardize the branding for its homegrown software. Toward that end, KDA will increasingly rely on a few sub-brands for its apps, including AccuSender, PinPoint and DMConnect.

So, for example, KDA previewed AccuSender ShareBase, which is a scan connector for Hyland's enterprise cloud content sharing and collaboration solution. And it also previewed


AccuSender Cloud, which is a scan-to-cloud app that will connect to several popular cloud repositories.

Next, KDA showed DMConnect Suite, with more powerful page recognition for document capture and distribution. It will join the DMConnect and DMConnect Pro. Meanwhile, Kyocera has dropped its old DMS Link software.

In addition, Kyocera showed a new version 3.0 of its simple PinPoint Scan app, which it described as the company's bestselling app in the Americas. KDA noted some dealers are now bundling PinPoint Scan on all their sales. In addition, Kyocera previewed the new PinPoint Mobile app.

And Kyocera also previewed additional application connectors, including the first from any MFP vendor for Hyland's AirBase and ShareBase, and a Google Connector for Google Drive, Google Calendar and Gmail.

Another preview in Las Vegas was upcoming embedded support for Cryptek's Netgard to control and manage user access. KDA has long had an external Netgard option.

Lastly, KDA previewed a completely rewritten version of its Kyocera Net Manager (KNM) software. Kyocera will position the server-based cost control and access management application above its own CentraQ Pro solution, and as an alternative to PaperCut MF for environments where customers are using only Kyocera devices. Unlike most of the solutions KDA sells, which are developed in the US, KNM was developed in Japan. The software has been available in other geographies since 2015. KDA had previewed that earlier version of KNM at its 2015 dealer meeting but decided it needed further work before launching it in the US. 

Ricoh and Fuji Xerox Add Third-Party Complementary Products

In April, two of the worlds leading office MFP and production print vendors — Fuji Xerox and Ricoh — announced new relationships with outside vendors through which they will each sell very different but complementary printing devices into the production market in selected countries.

On April 11, Fuji Xerox announced a partnership with Italy's Durst AG to resell the Durst Tau 330 UV digital inkjet label printer across all its Asia/Pacific territories outside of Japan. The partnership is on an exclusive basis in China, Australia and New Zealand, and it is nonexclusive in the other countries covered. The room-size Tau 330 was launched in 2012. It has a 330 mm (13") web and can print at speeds of up to 37 meters (121 feet) per minute.

Then on April 24, Ricoh USA announced the addition of EFI's H1625 LED mid-level wide format production printer and VUTEK H2000 Pro hybrid roll/flatbed production-level inkjet wide format printer to complement its line of homegrown and partner wide format devices. Ricoh thus joins Konica Minolta in selling certain super wide format printers from EFI in the US market. Ricoh USA also sells has its own branded line of four monochrome LED and color inkjet wide format models. And Ricoh has been selling two Mimaki flatbed wide format inkjet printers in the US since 2015. 



KDA is targeting two main initiatives to help its dealers go after new markets. The new TDS 2.0 program is intended to help dealers go "from documents to data" with a focus on ECM, BPM and managed IT services. And Kyocera is gearing up for its entry into the production print market with the launch of its first color inkjet press early next year.

Ricoh now joins Konica Minolta in reselling select high-end super wide format printers from EFI in the US.

Xerox Makes Another Push for DocuShare with Cloud Version for SMB

After 20 years pushing various versions and iterations of its DocuShare web-based ECM software with relatively little financial success, one might have thought the new streamlined Xerox would throw in the towel on this software product line, or sell off the tiny business to a real ECM software company. But instead, Xerox on April 20 announced DocuShare Flex as a new addition to the DocuShare family.

DocuShare Flex is a cloud-based, software-as-a-service (SaaS) solution intended primarily – but not exclusively – for the SMB market. Xerox says DocuShare Flex can be an economical solution for as few as five users. But it hedges its bets and positions DocuShare Flex as well for “enterprise departmental teams.” The tag line is “Content management for the digital workplace.” Oddly, Xerox did not mention DocuShare Flex as part of its massive VersaLink and Alta-Link MFP product launch and channel push in late March.

DocuShare Flex is not the first cloud-enabled version of DocuShare. Xerox began selling its DocuShare Private Cloud Service in late 2014. Xerox then announced it two years ago in one of its semiannual launches of workflow-related solutions for large enterprise customers (*The MFP Report*, Apr 15). Like other DocuShare solutions, the DocuShare Private Cloud Service is primarily a departmental solution for

Fuji Xerox Solution Uses MFP to Print IC Cards for Authentication

Fuji Xerox announced a new hardcopy solution in Japan on April 27 that sounds like the MFP equivalent of a perpetual motion machine. The new IC Card and Label Issuing System enables current and recent A3 color DocuCentre and ApeosPort MFPs to print chip-based employee or student ID cards on special stock, and those same cards can then enable users to authenticate to these Fuji Xerox MFPs.

Fuji Xerox positions the new solution mostly for fast turnaround of short-run ID card printing jobs. It highlights the added security of being able to print the cards onsite. According to Fuji Xerox, outsourced printing of IC cards in Japan typically costs from ¥1,000 (about \$8.80) to several thousand yen for each ID card.

So far, the new solution is available only in Japan at a price of ¥250,000 (about \$2,240). That price is for the software used to design and create the ID card labels, and a USB-connected encoding device that programs the chip on the special ID card stock. The IC Card and Label Issuing System supports the widely used MIFARE technology owned by NXP Semiconductor. NXP says MIFARE is used in more than 80% of all contactless smart cards today. And the company states it has sold more than 10 billion MIFARE smart cards and over 260 million MIFARE smart card readers.

Fuji Xerox sells film and coated paper IC card stock that can be printed on one or both sides. Prices for the IC card stock range from ¥7,250 to ¥28,000 for 26 sheets. That works out to between \$2.50 and \$9.50 per IC card. ❏

larger customers. It is typically deployed as part of an MFP hardware sale or a broader MPS engagement, rather than being sold as a standalone ECM solution.

Xerox says the new DocuShare Flex was “developed from the ground up” specifically for the SMB market. It apparently does not share the same code base as DocuShare 7 or the DocuShare Private Cloud Service. It runs on the Microsoft Azure public cloud platform. But like other DocuShare offerings, DocuShare Flex will be sold primarily alongside Xerox hardware or as part of an MPS engagement.

And while DocuShare Flex will be available through all of Xerox’s direct and indirect sales channels, it is positioned foremost as part of Xerox’s growing arsenal of solutions for channel partners and channel MPS providers.

DocuShare Flex was available immediately in the US. Availability will follow in Europe and select other regions in May, in Canada in June, and then in Xerox’s Asian territories in August. Xerox declined to provide pricing, stating only that DocuShare Flex would competitively priced using a subscription model based on the number of users.

Unfortunately, Xerox is pretty vague when it comes to describing the features of DocuShare Flex, although it uses all the right adjectives ... web-based, user-driven, scalable, extensible, portable. Just as importantly, Xerox says nothing to answer the fundamental question of why a company might want to use DocuShare Flex, rather than far better known cloud solutions like Dropbox, Box, OneDrive, etc.

Instead, Xerox emphasizes that DocuShare Flex can be deployed in days (“not months”) with little IT support or employee training. Xerox also says very little about integrating or accessing DocuShare Flex from its MFPs, noting only that there is support for one-step scanning from an MFP. And so far, there are no mobile apps for DocuShare Flex.

The key questions regarding the impact of DocuShare Flex are twofold. First, will Xerox really promote the new solution, or is it just another me-too DocuShare ECM offering that fades into the background. And if Xerox does put some muscle behind promoting DocuShare Flex, will that impede its ability to work effectively with third-party vendors who have their own cloud-based ECM solutions. ❏



DocuShare Flex is a cloud-based solution intended primarily – but not exclusively – for the SMB market. Xerox says it can be an economical solution for as few as five users, but it hedges its bets and also says DocuShare Flex is for “enterprise departmental teams.” As for pricing, Xerox would only say DocuShare Flex is competitively priced, using a subscription model based on the number of users.

Lexmark Debuts Teaching Assistant MFP Solution

On April 17, Lexmark made its first MFP-related announcement of 2017, launching its new Teaching Assistant embedded MFP software for the K-12 and higher education markets. Like most Lexmark MFP solutions, Teaching Assistant is available exclusively through the company’s authorized Business Solution Dealer program members. The list price is \$159 per teacher (not per MFP), with discounts available for ten or more teachers. Teaching Assistant is not to be confused with the long gone Education Station Lexmark launched a decade ago (*The MFP Report*, May 07). That model was a \$3,699 50 ppm A4 monochrome MFP with a handful of embedded tools and utilities for teachers. The new Teaching Assistant is a cloud-based solution for creating, printing on plain paper, scanning, correcting, scoring, and tracking bubble-type test answer sheets. The answer sheets can be created on any PC or mobile device with a browser. The completed answer sheets are scanned on any eSF-enabled Lexmark MFP, and then corrected and stored in the cloud.

Xerox Has Little to Say About Its Updated Multifunction Color Press

On April 4, Xerox announced the 80 ppm Versant 180. Although the new model is the company's fastest multifunction color press, Xerox has a tough time saying what exactly is new — beyond a vague reference to “enhanced automation features” — versus the original 80 ppm Versant 80 it launched two years ago (*The MFP Report, Mar 15*).

By the way, the Versant name for color presses is not be confused with the VersaLink name Xerox recently debuted for its latest lower-end, mostly A4 laser MFPs and printers.

Concurrent with the launch of the Versant 180, Xerox also announced the Versant 180 Performance Package and the Versant 3100. The Performance Package enables the Versant 180 to print at full speed on heavier stocks and provides in-line color calibration. However this is not a new option. Xerox had already offered it for the Versant 80. Indeed, most of the features Xerox describes for the new Versant 180 were already provided on the old Versant 80.

As for the Versant 3100, that model is a 100 ppm single-function color press that replaces the same speed Versant 2100 launched in 2014. The Versant 3100 and 2100 share a different engine than the Versant 180 and 80.

Strangely, Xerox declined to provide any pricing for its newest light production color presses, not even a starting list price. This is in spite of the fact that prices will soon be readily available and shared among production print customers soliciting proposals from Xerox for the new presses.

When Xerox launched the Versant 80 two years ago, it stated the base price, which was \$69,190. But Xerox declined to provide prices for accessories or the optional controllers. Our guess is the starting price for the Versant 180 is probably unchanged. Keep in mind, the base price for the Versant 80 was the same as for the previous C75 color press.

The Versant 180 comes from Fuji Xerox, which launched basically the same product under the same name in Japan six months ago (*The MFP Report, Oct 16*). It should be noted, however, the list price for the new Versant 180 in Japan was 5% higher than the price for the previous Versant 80.

The Versant 180 uses the latest version of a self-scanning LED color print engine Fuji Xerox first shipped in 2009. Like the Versant 80, the Versant 180 uses VCSEL technology to achieve a 2400 x 2400 dpi native print resolution.

Compared to Xerox, Fuji Xerox was also somewhat more forthcoming about the very few noteworthy improvements in the Versant 180. Fuji Xerox focused mostly on the fact it had added two new options for output. These were a more compact 3,350-sheet saddlestitcher, and a basic trimmer that is a less expensive alternative to the square fold trimmer. And Fuji Xerox also highlighted certain updates to the firmware in its external GX Print Station for the Versant 180.


In the case of Xerox's version of the Versant 180, the same new finisher is referred to as the Production Ready Finisher Plus, but there does not appear to be a new trimmer. In addition, Xerox has added a new 250-sheet inserter and a choice of two Interface Decurler Modules.

On top of that, Xerox has boosted the monthly duty cycle it quotes for the Versant 180 by more than 60%, from 460,000 to 750,000 pages. However, the 80,000-page recommended monthly print volume remains the same. And the supplies are also the same for the old and new presses. The black toner yields 20,000 pages; the color toners print 22,000 pages; and the drum has a 348,000-page life.

As for controllers, Xerox does not sell the Fuji Xerox GX Print Station. Instead, customers must select one of three other external PC-based RIPs. The Xerox-designed FreeFlow Print Server runs on Oracle's Solaris 10 release of UNIX; the integrated (*i.e., bolted on*) EX-i 180 Fiery runs on Linux; and the higher-end EX 180 Fiery runs on Windows 8.1 Professional. Note that this is the first new FreeFlow Print Server to emerge since Xerox sold its FreeFlow production print controller business to EFI for \$22 million back in February. Note as well that the optional Performance Package only works with the EX 180 Fiery controller.

Incidentally, the Versant 180 also supports the EIP 1.5 software platform Xerox launched in 2010. Not only is there little role for this support, EIP 1.5 is now largely obsolete.

It is not clear if there are any notable changes to the FreeFlow Print Server for the Versant 180 versus the Versant 80. In the case of the Fiery EX-i 180 and EX 180 RIPs, the hardware specs for the RIPs do not appear to have changed, but the firmware has been upgraded from EFI's Fiery FS150 and FS150 Pro platforms to the newer Fiery FS200 and FS200 Pro platforms, respectively.

Otherwise, the new Versant 180 appears to be the same as the current Versant 80. The new color press comes with three 550-sheet paper trays, a 250-sheet bypass tray, duplex output, a large arm-mounted color touchscreen, and a 250-sheet single-pass duplex document feeder that scans at 200 ipm in duplex for color or B&W. The paper supply can be expanded to a maximum of 9,900 sheets with a 2,000-sheet letter tray; a 2,000-sheet super-A3 drawer; or a pair of super-A3 drawers. Aside from the aforementioned additions to the list of output options, all of the other output accessories have been carried over from the Versant 80. 



Xerox declined to provide pricing for its newest light production color press, not even a starting list price. This is despite the fact pricing will soon be readily available and shared among buyers soliciting proposals from Xerox. Most likely, the Versant 180 starts at \$69,190, which is the same price as the Versant 80 and the C75 before that.

The 80 ppm Versant 180 replaces the two-year old Versant 80 as Xerox's fastest multifunction press.



Ricoh's Second Generation Healthcare MFPs Gain Enhanced Firmware

Back on March 8, Ricoh USA announced the second generation of its so-called Healthcare MFPs and printers. The new series of letter-size monochrome devices includes two MFPs and two printers that have been slightly modified for use in hospitals, clinics and other patient care environments.

The new MFPs are the 42 ppm SP 4510SFTE and 52 ppm MP 501SPFTL; and the corresponding new printers are the 42 ppm SP 4510DNTE and 52 ppm SP 5300DNTE. The SP 4510SFTE is based on the two-year old SP 4510SF (*The MFP Report, Feb 15*), and the MP 501SPFTL is based on last year's MP 501SPF (*The MFP Report, Nov 16*). Note that both of the 52 ppm models are based on a Lexmark laser engine but have a Ricoh controller, control panel, user interface and solutions support.

The new 52 ppm B&W models replace four existing 52 ppm healthcare models Ricoh launched four years ago (*The MFP Report, Mar 13*). But Ricoh will continue to sell six other healthcare models from 2013: two 42 ppm color printers, two 32 ppm color MFPs, and two 47 ppm B&W MFPs.

The existing healthcare MFPs and printers have always been anomalies. They are available only in the US, and they have just two features — lockable paper trays and teflon coated drawers to handle narrow wristband media — that differentiate them from Ricoh's equivalent standard models. They also carry a price premium of \$200 to \$400.

The new healthcare MFPs and printers are also avail-

able only in the US, and Ricoh has included the same two differentiators plus two additional features. First, Ricoh has supplemented the lockable paper trays with firmware that controls access to and use of media in those lockable trays. And second, Ricoh has enabled users to export and store on an SD card the device settings for these MFPs and printers so that additional similar devices can be configured the same.

Each of the new healthcare MFPs and printers comes with one lockable paper tray, and additional lockable paper trays can be added. Note that paper trays with Teflon coating are available only for the 52 ppm printer and MFP.

It is a bit ironic and even embarrassing for Ricoh USA that the healthcare industry web page it referenced in the press release announcing the new healthcare MFPs and printers makes no mention of these devices. Instead, the new devices are included among 120 MFPs and 21 printers that Ricoh USA shows on its overwhelming (*not in a good way*) product pages. And the fact these models are "healthcare optimized" is relegated to a single bullet in the description.

As for pricing, Ricoh has significantly increased the premium it charges for the new healthcare models to between about \$500 and \$1,000. In the case of the two new healthcare MFPs, the SP 4510SFTE lists for \$1,499, while the regular two-year old SP 4510SF is only \$899. And the new MP 501SPFTL lists for \$4,519, while last year's regular MP 501SPF is \$3,499. ❏



The healthcare industry web page Ricoh put in the press release for its latest healthcare MFPs and printers doesn't even mention these devices. Instead, they're among 120 MFPs and 21 printers Ricoh shows on its overwhelming (not in a good way) product pages.

Ricoh Tweaks Printing and Service on Entry-Level A3 Color MFP Quartet

In April, Ricoh USA with no fanfare released four very slightly modified versions of two sets of lower-end A3 color MFPs that were both launched less than a year ago. Ricoh has not released similarly configured models anywhere else.

The new 20 and 25 ppm MP C2004ex and C2504ex replace the same speed MP C2004 and C2504 (*The MFP Report, Oct 16*). And the new 30 and 35 ppm MP C3004ex and C3504ex replace the same speed MP C3004 and C3504 (*The MFP Report, Jun 16*). Together, these are Ricoh's slowest and least expensive A3 color MFPs. They share a common platform that also includes the 45 and 60 ppm MP C4504 and C6004. Those faster models were launched alongside the current 30 and 35 ppm MFPs, but Ricoh has not announced a similarly updated 45 and 60 ppm MFPs.

Prices for the new mainframes and for all of the options are unchanged on each of the four new MFPs. Those prices start at \$6,890 for the C2004ex; \$9,330 for the C2504ex; \$12,689 for the C3004ex; and \$15,155 for the C3504ex.

The low-key launch, the model numbers, and continuity in pricing are consistent with the minimal changes Ricoh has made to the "ex" models. Ricoh described the changes as "extended print and support-related capabilities." It is not possible for the new firmware to be added to the existing C2004, C2504, C3004 and C3504 in the field, but the new apps and utilities work with all SOP-enabled Ricoh MFPs.

The only new embedded printing feature on these tweaked Ricoh color MFPs is the inclusion of PostScript emulation from Qualcomm as a standard feature, alongside Qualcomm's PCL emulation and direct PDF printing. However, Ricoh continues to sell Adobe PostScript as a \$589 option. This is something Ricoh began doing on the A3 and A4 MFPs it has launched since the end of 2016.

The new extended support capabilities encompass three things. Remote Connect Support allows a service technician to access the MFP remotely to diagnose and resolve problems in real time. The Remote Panel Operation Tool in Web Image Monitor allows a customer's IT manager or network administrator to program, monitor and change settings on a specific MFP. And the Automatic Remote Firmware function allows a customer to ensure the MFP is using the latest firmware in order to maximize productivity and avoid problems.

Otherwise, all of the MFP features, the Smart Operation Panel (SOP), support for applications and apps, paper-handling features, and supplies are the same on the new "ex" models as on Ricoh's current related MFPs. Likewise, an embedded EFI Fiery controller continues to be available as a \$6,279 option on the C3004ex and C3504ex. ❏

There are few changes in the 20 ppm C2004ex, and the \$6,890 MFP continues to be Ricoh's least expensive A3 color model.



First of Xerox's VersaLink MFPs Quietly Shipped Back in February

While Xerox made its blockbuster announcement of 29 new VersaLink and AltaLink office MFPs on March 28, it had already begun speaking about the first VersaLink desktop models in an SMB blog posting back on February 15, and the products were available online from Xerox, retailers and IT distributors by the end of February.

The first MFPs in the new VersaLink line are the 47 ppm monochrome B405 and the 36 ppm color C405, along with the related B400 and C400 printers. Xerox says the new models are "the perfect assistant for every small business" and are "ideal for distributed environments."

Shared VersaLink Features. While the B405 and C405 MFPs utilize completely different Fuji Xerox print engines and MFP platforms – neither of which is really new – they share the same controller, MFP capabilities, control panel, user interface, security features, device management capabilities, and support for apps and applications.

The key to all this is a new generation of Xerox's ConnectKey controller that has a much lower build cost, thereby enabling various high-end features on less much less expensive MFPs. And the same controller is used in the even more economical VersaLink B400 and C400 printers.

The new controller and firmware enable all of the VersaLink MFPs and printers to support Xerox's web services-based Extensible Interface Platform (EIP) and the ConnectKey app platform. In fact, a new version 3.7 of EIP debuts with these devices. The main improvement over last year's EIP 3.5 is support for the Xerox App Gallery, which is an app that lets users peruse and load ConnectKey apps.

The new controller has a 1.05 GHz dual-core ARM processor and 2 GB of memory. Xerox offers a different \$299 "productivity kit" for each of the first two VersaLink MFPs. The one for the B405 has a 16 GB solid-state drive, and the one for the C405 has a 320 GB hard drive. However, the purpose for both kits is the same. They enable certain extra printing features (e.g., printing covers on media from a separate drawer, creating a booklet); they allow the MFP to store fonts, forms and macros; and they provide added space (2 GB vs. 60 MB) to run more and/or bigger ConnectKey apps.

In terms of connectivity, the new ConnectKey controller has Gigabit Ethernet, a USB 3.0 device port, two USB host interfaces, and NFC. Xerox also sells a \$49 wireless network adaptor that supports WiFi Direct. The controller can support user authentication with a \$199 RFID card reader that fits into the card reader bay inside the control panel. The card reader connects via a USB port inside that bay.

For printing, the MFPs have PCL emulation, Adobe PostScript, PDF and XPS support, and direct printing for TIFF and JPEG images. Mobile printing is enabled via AirPrint, Mopria and Google Cloud Print. The MFPs are also compatible with the server-based Xerox Print Management and Mobility Suite; the cloud-based Xerox Print Management and Mobility Service; and the Xerox Device Manager for MPS.

The new MFPs have the usual range of network scan-

ning capabilities, and they support LDAP for address book integration. The B405 and C405 have embedded Nuance OmniPage OCR. That makes these models by far the least expensive Xerox MFPs with this feature, and they are among the least expensive MFPs in the industry with embedded OCR. In addition, the MFPs have ConnectKey apps for scanning directly to Google Drive, Microsoft OneDrive and DropBox. And lastly, the MFPs have a 33.6 Kbps fax modem with JBIG compression and 4 MB of dedicated fax memory.

The new VersaLink MFPs have a tilting control panel with a 5" color capacitive touchscreen and a tablet-style UI. But the UI is not based on Android or any other mobile device operating system. The related VersaLink printers share the same control panel and UI. By comparison, the A4 WorkCentre MFPs that are being replaced by these models have a 4.3" color touchscreen integrated into the control panel, and they feature an older UI with no tablet-style features.

VersaLink B405. Xerox's first B&W VersaLink MFP is a 47 ppm A4-size device priced at \$879, or \$699 after a \$180 instant rebate good through June 30. There are also two related printer configurations. The simplex B400N and duplex B400DN are \$649 and \$699, or \$449 and \$509 after the instant rebate.

The B405 replaces the WorkCentre 3615 that Xerox launched back in 2013 (*The MFP Report, Sep 13*). Both of these 47 ppm models share the same platform as the DocuPrint M455df that Fuji Xerox launched in 2013. The WorkCentre 3615 is priced at \$999 and currently sells for \$749 after a \$250 instant rebate. In terms of official prices, the new VersaLink B405 is basically a much more effective device that costs 12% less than the WorkCentre 3615.

While the B405 is the lowest-priced MFP in the new VersaLink line, it is not the least expensive B&W laser MFP Xerox sells. Below the B405, Xerox still sells four slower, less expensive WorkCentre MFPs. The 27 ppm 3215 is \$259, the 29 ppm 3225 is \$319, the 35 ppm 3335 is \$349, and the 42 ppm 3345 is \$449. These

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The VersaLink B405 is a 47 ppm, A4-size monochrome MFP that costs just \$699 after a \$200 instant rebate.

Solutions on the Way for EIP 3.7

Xerox's new VersaLink MFPs and printers – and apparently the new but yet-to-ship AltaLink A3 MFPs – will utilize the new version 3.7 of Xerox's Extensible Interface Platform (EIP). Xerox introduced the web services-based EIP solutions platform back in 2006. And it has continued to update and enhance EIP, most recently when it released EIP 3.5 last year in conjunction with its WorkCentre i-Series MFPs. Something MFP vendors tend not to talk about is that every time they update their solutions platforms, ISV partners have to make certain changes to their applications in order to make sure they look and work properly on devices with the updated software. This is the case with EIP 3.7. In February, when Xerox released the first VersaLink MFPs and printers running EIP 3.7, the only third-party solution available for those devices was YSoft's SafeQ. Xerox now says other partner solutions are currently being validated for the new EIP 3.7 devices, including Nuance's Equitrac and AutoStore.

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WorkCentre MFPs are sourced from Samsung. It remains to be seen what Xerox will do with these models later this year, after HP completes its acquisition of Samsung's hard-copy business.

In addition to the VersaLink B405 costing less than the WorkCentre 3615, the new MFP is also somewhat less expensive to operate. The B405 comes with a 5,900-page standard toner cartridge that sells for \$80 and a 60,000-page drum unit that costs \$300. In addition, Xerox sells a 13,900-page toner cartridge for \$150 and a 24,600-page toner cartridge for \$380. The cost per page for these supplies ranges from 1.7¢ to 2.7¢. Meanwhile, the lowest possible cost per page on the WorkCentre 3615 is 1.8¢. Both models share the same 110,000-page monthly duty cycle.

Compared to all of the changes noted above in the ConnectKey technology and supplies, very little has changed in overall design or paper-handling features on the B405.

The new B&W VersaLink MFP is a 48-pound desktop device that is approximately 20" wide and deep and 22" high. Xerox has kept the same lines and color scheme as on the WorkCentre 3615. The MFP has a light gray body and a dark blue accent color on the control panel and exit tray.

The B405 has a traditional printer-style, front-facing paper path. It comes with a 550-sheet letter/legal tray, a 150-sheet bypass, duplex output, and a 250-sheet exit tray. The color scanner is at a right angle to the print engine and has a legal-size platen. While the 60-sheet recirculating document feeder looks unchanged, Xerox has boosted the speed. The simplex scan speeds have gone from 40 to 55 ipm for B&W and from 25 to 29 ipm for color. Still, the lack of a single-pass duplex document feeder is a bit disappointing.

Customers can add up to three 550-sheet paper trays. They are \$199 apiece, and there is also a \$299 stand. However, there are no output options; not even a convenience stapler. When fully configured, the VersaLink B405 is four feet tall and has a 2,350-sheet paper capacity.

VersaLink C405. Xerox's first color VersaLink MFP is a 36 ppm A4-size device that is available in two configurations. The simplex C405N is \$879, and the duplex C405DN is \$979, or \$709 and \$729 after the current instant rebates. There are also two related printer configurations. The simplex C400N and duplex C400DN are \$529 and \$619, or \$429 and \$559 after the instant rebates.

The 36 ppm VersaLink C405 fits above the 18 and 30 ppm WorkCentre 6027 and 6515 in Xerox's A4 color MFP product line. It replaces the 36 ppm WorkCentre 6605 that Xerox launched almost five years ago and currently sells for \$999 (*The MFP Report*, Sep 12).

The WorkCentre 6605 is comparable to the 36 ppm DocuPrint CM405df that Fuji Xerox launched in 2012, while the VersaLink C405 is based on an updated version of that platform. Interestingly, Fuji Xerox has not launched its own MFP based on that same updated platform. However, the 36 ppm S3845cdn that Dell shipped last fall (*The MFP Re-*

port, Nov 16) shares the same newer platform as Xerox's VersaLink C405.

The VersaLink C405 costs less than the WorkCentre 6605 it replaces, while delivering the same speed, more functionality, and greater ease of use. In addition, Xerox sells three sets of toner cartridges for the C405, versus two sets for the 6605, and it has reduced the lowest possible cost per page about 20% for black and 15% for color.

The C405 ships with a set of four 2,500-page standard toner cartridges that are priced at \$100 for black and \$125 for each color; a 60,000-page set of drum units that sell for \$240; and a \$25 waste toner cartridge that lasts for 30,000 pages. Xerox also sells a \$150 black toner cartridge that yields 5,000 pages; \$200 color toner cartridges that yield 4,800 pages; a \$195 black toner cartridge that yields 10,500 pages; and \$285 color toner cartridges that yield 8,000 pages.

The lowest cost per page figures on the new VersaLink C405 are 2.3¢ for black and 13.0¢ for color. These figures compare to the lowest possible page costs of 2.9¢ for black and 15.4¢ for color on the current WorkCentre 6605. The 80,000-page monthly duty cycle is the same for both MFPs.

The C405 ships as a 72-pound desktop MFP that measures 17" wide, 21" deep, and 24" high. The only change in paper handling is a 50-sheet single-pass duplex document feeder that is faster than the 50-sheet recirculating feeder on the current model. The C405 has simplex scan speeds of 40 ipm for B&W and 21 ipm for color; the duplex scan speeds are 52 ipm for B&W and 27 ipm for color.

The C405 comes with a 150-sheet bypass, a 550-sheet paper cassette, a letter-size scanner, the new document feeder, and a 250-sheet exit tray. Duplex output is standard only on the C405ND configuration. Customers can add a second 550-sheet cassette priced at \$299, for a 1,250-sheet maximum capacity, and also a \$299 pedestal stand.

And Sticking Around. The VersaLink B405 and C405 do not replace the 47 ppm B&W WorkCentre 3655i and the 36 ppm color WorkCentre 6655i that shipped a year ago. Those MFPs are comparable to the WorkCentre 3655 and 6655 from 2014. The new VersaLink MFPs appear to be based on modified versions of the same Fuji Xerox engines Xerox utilizes for these WorkCentre MFPs. They share the same speeds and nearly all of the same features.

However, the WorkCentre 3655i and 6655i are sold only in office equipment channels and are priced much higher. The respective list prices are \$2,354 and \$3,270. Presumably, the operating costs for these WorkCentres are also lower. In addition, they support features not on the new VersaLinks, like Common Criteria and McAfee for extra security. ❏



Xerox's new VersaLink C405 is a 36 ppm, A4-size color MFP. It is available in an \$879 simplex version and a \$979 duplex configuration. And through June 30, these prices are reduced to \$709 and \$729.

HP Adds a Speedier LaserJet Ultra B&W MFP in Developing Markets

In March, HP announced the first addition to the initial lineup of three LaserJet Ultra models it debuted in developing markets last fall (*The MFP Report, Oct 16*). The LaserJet Ultra series provide buyers with higher-priced, entry-level devices that include significantly more toner in the box, thereby lowering overall operating costs. The new MFP is available so far in India, China, Southeast Asia and EMEA.

The latest addition to the LaserJet Ultra line is the M230sdn, a 28 ppm (30 ppm letter) monochrome A4-size network print/scan/copy device with a document feeder. It joins the 22 ppm (23 ppm letter) monochrome A4-size LaserJet Ultra M106w printer and the M134a and M134fn MFPs. Unlike with the first models, the new LaserJet Ultra M230sdn was not accompanied by a related single-function printer.

The LaserJet Ultra M230sdn shares the same platform and has the same speed as the LaserJet Pro M227fdn and M227fdw that HP launched in the US and other markets last fall (*The MFP Report, Oct 16*). The M227fdn is a networked 4-in-1 device, and the M227fdw adds WiFi, so neither is exactly equivalent to the M230sdn. In the US, the LaserJet Pro M227fdn and M227fdw currently sell for \$269 and \$329, respectively. However, at the end of April, HP had them available at sale prices of \$229 and \$269.

Based on prices from India and Eastern Europe, the new LaserJet Ultra M230sdn is selling for the equivalent of around \$475 to \$500. That makes it roughly double the cost of the closest similar LaserJet Pro M227 models sold in the US.

The LaserJet Ultra M230sdn ships with three 31A toner cartridges that yield 5,000 pages apiece and utilize HP's JetIntelligence technology. HP says that 15,000 pages of toner is enough for two years of printing, which works out to 625 pages per month. Each additional 31A cartridge has a street price of \$36.50. The LaserJet Ultra M230sdn also comes with a separate 32A drum unit that is rated at 23,000 pages. Assuming the street price for the drum is the same as in the US (*i.e.*, \$85), then the ongoing cost per page for the LaserJet Ultra M230sdn after the original supplies are exhausted works out to approximately 1.1¢ per page.

The same 32A drum unit is used in the LaserJet Pro M227 MFPs, but the Pro models use different toner cartridges. The LaserJet Pro M227 MFPs ship with a 30A toner cartridge that prints 1,600 pages and sells for \$42. And HP also sells a \$96 30X toner cartridge that prints 3,500 pages.

Thus, the lowest cost per page for the LaserJet Pro M227 series MFPs is 3.1¢, which is almost three times as much as the 1.1¢ cost per page on the new LaserJet Ultra M230sdn.

Functionally and operationally, the LaserJet Ultra M230sdn is comparable to the LaserJet Pro M227fdn, but without fax and with a simpler control panel (*i.e.*, no number pad). Additionally, HP quotes a 40,000-page monthly duty cycle for the LaserJet Ultra M230sdn, with a recommended print volume of 350 to 3,000 pages per month. But HP quotes only a 30,000-page monthly duty cycle for the LaserJet Pro M227fdn, with a lower recommended print

volume of 250 to 2,500 pages per month.

Otherwise, the new LaserJet Ultra M230sdn is functionally and operationally the same as the LaserJet Pro M227fdn. The MFP is approximately 16" wide and deep, and 12" tall. It has a C-shaped paper path, a 250-sheet input tray, a 10-sheet priority (*i.e.*, bypass) tray, duplex output, a letter-size CIS color scanner, and a 35-sheet simplex document feeder with a 12 ppm scan speed. The tiltable control panel features a 2-line text LCD. And there is a small clear window on the fold-down paper tray that enables a user to see how much paper is left when the tray is closed.

The controller has an 800 MHz processor, 256 MB of memory, Ethernet, and a USB device port. The LaserJet Ultra M230sdn provides PCL, PostScript emulation and direct PDF printing. Scanning is enabled via the bundled HP Scanning Software or with TWAIN and WIA drivers, but there is no support for network scanning. ❏

PRODUCTS



The 28 ppm LaserJet Ultra M230sdn is the first MFP HP has added to a series of devices it launched last fall in emerging markets.

Samsung-Branded PageWide Units Ship in Korea

For several years before HP announced last September it would acquire Samsung's global printer business, it had been OEM'ing inkjet AIOs for Samsung to sell under its own name in the Korean market. The companies have also explained that after the acquisition is completed later this year, Samsung will sell an even broader range of HP-made inkjet and laser devices under its own name in Korea. As the first step on that path, Samsung late last year launched a much broader line of HP-made SOHO and small business inkjet AIOs and printers in Korea. And then in recent weeks, the first Samsung-branded HP PageWide



devices have begun to ship in Korea. The SL-J5560FW is an A4 wireless MFP, and the SL-J5520W is an A4 wireless printer. We spotted three differences between the Samsung-branded models in Korea and HP's own comparable devices, which are the PageWide Pro 477dw and 452dw. The HP products were launched a year ago (*The MFP Report, Mar 16*), and they currently sell in the US for \$549 and \$349. First, Samsung markets its models as 55 ppm devices, using the ISO print speed for "general office quality" output. In contrast, HP markets its devices as 40 ppm products, relying instead on the ISO speed for "professional mode" output. Second, Samsung is selling just one set of ink cartridges that yield 10,000 black pages and 7,000 color pages. HP also sells cartridges that print 3,500 black pages and 3,000 color pages. And third, the Samsung versions have a different color scheme – black on top and white on the bottom – that matches its current laser models.

HP Adds WiFi and Higher Ink Costs to \$49 Entry-Level Deskjet AIO

Although there was no formal public announcement or press release, HP in April began shipping its first new consumer AIO in close to a year. The \$49 Deskjet 2655 replaces the identically priced, two-year old Deskjet 2130 to become HP's least expensive AIO (*The MFP Report, Jul 15*).

Currently, HP and Canon are tied in offering the only AIOs that are regularly priced at \$49. Meanwhile, the least expensive models from Epson and Brother are \$89, and even the lowest-priced Kodak Verite AIO is officially priced at \$59.

As is increasingly common in the shrinking consumer AIO business, there is not much that separates the new Deskjet from its predecessor. The only functional difference between the two AIOs is that the USB device port on the 2130 has been joined by WiFi connectivity on the 2655.

Additionally and perhaps more subtly, the Deskjet 2655 uses the 63-series of ink cartridges that HP introduced last year for its \$69 Deskjet 3755 and also for various other \$69 Deskjet 3600 models it sells only through selected mass-market retailers (e.g., Walmart, Best Buy).

Those 63-series cartridges provide lower yields and lower purchase prices, but they have higher operating costs than the 65-series cartridges for the old Deskjet 2130. That change should give buyers even more reason to sign up for HP's Instant Ink supplies replenishment program, which dramatically lowers operating costs on most HP AIOs.

Both the old Deskjet 2130 and the new Deskjet 2655 ship with a set of standard yield cartridges. For the 2655, the \$12.99 black cartridge yields 120 pages, and the \$13.99 tricolor cartridge yields 120 pages. These produce very high page costs of 10.8¢ for black and 24.8¢ for color.

In addition, HP sells a pair of 63XL high-yield cartridges. The \$25.99 black cartridge and \$30.99 color cartridge each yield 300 pages. These inks lower the page costs to 8.7¢ for black and 19.0¢ for color. That means the lowest transactional page costs on the new 2655 are 22% higher for

black and 6% more for color than on the current 2130.

Of course, with HP's Instant Ink program, owners of both devices can pay between 3.3¢ and 5.0¢ per page, regardless of whether those pages are color or monochrome, and how much actual ink is actually used to print each page.

HP is reportedly targeting the Deskjet 2655 at older Americans. It claims the new product eliminates a lot of the "bells and whistles" on other consumer AIOs. However, that is marketing speak. The Deskjet has all of the functionality of the current model, plus WiFi. And one could argue the redesigned control panel — which gained two more buttons and a small text LCD with a single-digit display and several status indicators — is actually somewhat more complex than the control panel on the 2130.

Otherwise, the new Deskjet 2655 is the same as the current Deskjet 2130. The new \$49 AIO has ISO print speeds of 7.5 for black and 5.5 ppm for color, with first-page times of 14 seconds for black and 18 seconds for color. The ISO copy speeds are 6 ppm for black and 3 ppm for color. While HP says the product is designed for up to 1,000 pages per month, the recommended monthly print volume is far more tame (i.e., 50-100 pages or around 2-4 pages per day). And HP also includes a one-year warranty.

Unlike on the 2130, HP provides specs for the controller inside the 2655. It has a 360 MHz processor, 512 MB of DDR memory, 256 MB of flash memory, a USB device port, and the new WiFi capability. And while there is new support for AirPrint, there is no mention of Mopria support.

Like other HP consumer AIOs launched in the past year, the 2655 has a rather curvy industrial design. And the AIO



Compared the \$49 Deskjet 2130, the new \$49 Deskjet 2655 adds WiFi, and it uses ink cartridges that yield fewer pages. And that results in higher page costs.

HP is supposedly marketing the new Deskjet as easier to use for older Americans, but one could argue the redesigned control panel is actually more complex.




HP Adds a Very Narrowly Available Deskjet AIO



As it is sometimes does with its consumer AIOs, HP has created a special version of last year's Deskjet 3755 (*The MFP Report, Jun 16*). The new \$69 Deskjet 3758 is only available from Office Depot/OfficeMax and from HP. All

that distinguishes the Deskjet 3758 from the identically priced Deskjet 3755 is that the accent color on the new model is red. The 3755 is available with a blue, green or gray accent color. Both models are unique in the AIO market in that they have a less useful sheetfed (i.e., "Scroll Scan") scanner rather than a flatbed scanner. HP touts both models as "the world's smallest all-in-one for your home."

is mostly white in color, but with an accent color (either blue, green or white) around the scanner bezel and control panel. The product is light (7.6 pounds) and compact (about 17" wide, 12" deep and 6" high). But the use of fold-down paper trays and a straight paper means the AIO requires quite a bit more space when in use. The input tray holds 60 sheets, the exit tray handles 25 sheets, there is no duplex support, and the scanner is letter-size with no document feeder. 

Funai Adds More Kodak Verite AIOs While Expanding US Sales Channel

As is customary with Japan's Funai, the company in April released two new Kodak Verite AIOs, while significantly expanding its range of online and retail partnerships, all without any public announcement. The new AIOs and stores simply popped up on the Kodak Verite web site.

Funai's expanded US retail presence may be more important than the new models. Until now, Kodak Verite AIOs have been available mostly at Walmart, with one or two models sold in stores and some additional models available online. The only other outlets for these devices have been Jet.com (*which is owned by Walmart*) and Newegg.

Now Funai has added Amazon, Fry's, MicroCenter, Office Depot, and Sam's Club. And while not mentioned by the company, the products are also available now at Best Buy. On the other hand, sales of the Kodak Verite AIOs are still inexplicably limited to just the US, Canada and the UK. And in Canada, Funai is now down to selling just two models.

Both of Funai's new AIOs are based on existing platforms. They share the same printhead, the same printing capabilities, and the same supplies as all of the other Kodak Verite models. In fact, it does not appear Funai has undertaken any fundamental advancement of the aging inkjet platforms it acquired from Lexmark exactly four years ago.

The new \$69 Kodak Verite 50 Eco shares the same platform as the original Kodak Verite 55, which was the first AIO Funai launched almost two years ago. Strangely, the new Kodak Verite 50 Eco appears to be a step backward from two other related models Funai launched last summer when it comes to price and value (*The MFP Report, Jul 16*).

The new \$69 50 Eco is functionally identical to the \$59 55W Eco, but it costs \$10 (17%) more. And the new AIO is white, rather than black. The 50 Eco is also priced the same as the existing 55 XL Plus, but the new model lacks the 2" monochrome LCD control panel on the existing product.

In addition, the new 50 Eco ships with a pair of standard black and color ink cartridges that have a \$27 value. The cartridges print 200 black pages and 180 color pages. In contrast, the older 55W Eco and 55 XL Plus include a pair of higher-yielding XL cartridges valued at \$42 (*i.e., \$15 more*). Those cartridges print 400 black pages and 360 color pages. The fact that \$15 less ink is bundled with the Kodak

Verite 50 Eco makes it an even worse alternative.


Next is the new \$129 Kodak Verite 640 Eco Mega Ink Bundle, which is functionally the same as the \$89 Kodak Verite 65 XL Plus that Funai shipped last fall (*The MFP Report, Oct 16*). The 65 XL Plus was the first product in Funai's second generation AIO platform, although the differences versus the original platform were minor.

The new model had a slightly faster ISO color print speed, duplex output, and a different and somewhat larger industrial design.

The only change in the new \$129 Kodak Verite 640 Eco Mega Ink Bundle is that it comes with a pair of 3XL ink cartridges. Those cartridges sell for \$105, and they print 1,200 black pages and 1,080 color pages. In contrast, the \$89 Kodak Verite 65 XL Plus comes with a pair of XL cartridges. Those cartridges sell for \$42, and they print 400 black pages and 360 color pages. In other words, the new Kodak Verite 640 Eco Mega Ink Bundle costs \$40 more than the identical Kodak Verite 65 XL Plus, but it comes with \$63 more ink (*\$105 vs. \$42*).

All current and new Kodak Verite AIOs can use any of the four sets of ink cartridges. In addition to the aforementioned standard, XL, and 3XL series ink cartridges, there are also XXL cartridges that yield 600 black pages and 500 color pages for a combined \$57 price.

Despite sharing two slightly different platforms, the new 50 Eco and 640 Eco have nearly all of the same MFP features. They have ISO print speeds of 10 ppm for black and about 5 ppm for color (*4.2 ppm on the 50 Eco and 5.1 ppm on the 640 Eco*). They have identical ISO copy speeds of 6 ipm for black and 3 ipm for color. The simple 1200 dpi flatbed PC scanning specs and features are also the same. And both AIOs have a 360 MHz processor, 128 MB of memory, a USB device port, and WiFi Direct.

The differences are in the industrial design, paper handling, and control panel. The 50 Eco is an 8-pound device with a 60-sheet input tray and a 25-sheet output tray. And the control panel has just three buttons. The 9.3-pound 640 Eco has a 100-sheet input tray, a 10-sheet photo paper input tray, a 50-sheet output tray, and duplex output. And the control panel has a 2" monochrome LCD. Funai quote a 1,000-page monthly duty cycle for both AIOs, with a recommended print volume of 300 pages per month. 



The \$69 Kodak Verite 50 Eco shares the same platform as a few other Funai AIOs, but it delivers less value for that price.



The \$129 Kodak Verite 640 Eco Mega Ink Bundle costs \$40 more than the identical \$89 Kodak Verite 65 XL Plus. But the new model comes with \$63 more ink.

Dell Is Down to One Canon AIO

Dell killed its own line of branded inkjet AIOs sourced from Lexmark four years ago. Since then, it has highlighted a few Canon PIXMA MG series models as its preferred AIOs for consumers, even though it does not sell any supplies for the devices. But, in April, Dell was down to offering a single Canon AIO. It was selling the two-year old PIXMA MG3620 for \$90. Meanwhile, Canon officially sells the same product for \$79. And in April Canon was discounting that price to \$54, or 40% below Dell's price. At the same time, Dell is still promoting its low-end, two-year old, Brother-made, B&W laser models as "new."

Epson Updates WorkForce Pro AIO Lineup with Four New Models

On April 19, Epson America announced the latest additions to its SMB line of letter-size WorkForce Pro AIOs. The new WF-3720, WF-4730 and WF-4740 were available immediately, with the WF-4720 to follow later in the spring. The new WorkForce Pro models are priced from \$149 to \$299, and the products will be available through a broad array of stores, online sellers, and reseller partners. Epson Europe had already launched five similar AIOs in March.

In its announcement, Epson America highlighted how the PrecisionCore inkjet technology in the new models provides “Performance Beyond Laser.” According to Epson, the new WorkForce Pro AIOs provide “sharp black text and print-shop-quality color graphics” while also offering 30-50% lower printing costs than comparable color laser devices.

The four new WorkForce Pro AIOs replace two WorkForce devices and two WorkForce Pro products, all of which were launched almost three years ago (*The MFP Report, Jun 14*). The new models as a group do not provide a lot that is new in terms of printing and AIO features over the previous models, which already utilized the PrecisionCore technology. However, Epson’s latest products do introduce a new industrial design and new inks, while cutting back on certain paper-handling features. More importantly, the new AIOs are priced 10-33% less than Epson’s old models.

The new WorkForce Pro series starts with the \$149 WF-3720. This model replaces the \$169 WF-3620, which was a regular (*i.e., not a Pro*) WorkForce device. Aside from the lower price, the new industrial design and new inks, there is not a lot that has changed in this latest model. Both AIOs use Epson’s 2S PrecisionCore printhead. And while the supplies are new, the yields and page costs are largely the same.

The WF-3720 has the same 7 ppm ISO color print speed, and the 20 ppm ISO black print speed is just 1 ppm faster. The ISO duplex print speeds are also a bit faster (*10 vs. 9.2 ppm for black and 7 vs. 6.3 ppm for color*), while the ISO copy speeds are unchanged (*17 ppm for black and 9 ppm for color*). Epson quotes a 25% lower monthly duty cycle of 15,000 pages, but the 1,300-page recommended monthly print volume is the same as on the previous model.

Epson’s 20 Million Ink Tank Units

Epson announced in Japan on April 10 that it had reached the cumulative milestone of selling 20 million ink tank AIOs and printers worldwide. Epson launched its first ink tank devices in Indonesia in October 2010, and the products are available today in about 150 countries and regions. The 20 million unit level represents a 33% increase since June 2016. Epson cited data from IDC indicating its ink tank models make up about 10% of the installed base of 45 million laser and inkjet printers in emerging markets. In the fiscal year that ended on March 31, Epson has forecast its sales of ink tank models were up about 25% year-over-year and now account for around 40% of its inkjet units for the year.

In addition, there is new built-in support for NFC, and some additional scanning destinations (*i.e., e-mail and network folder*) and new scanning features (*i.e., removing shadows and punch holes, density adjustments*). But Epson has reduced fax memory and fax speed-dials. Other features are the same on the WF-3720 and WF-3620, including Ethernet, Direct WiFi, and USB device and host ports.

The WF-3720 is somewhat larger than the WF-3620. The new 20-pound unit is about 17” wide, 15” deep and 10” tall, with a black exterior and curved vertical edges. The large, tilting control panel has a 2.7” color touchscreen with no other buttons. The AIO has a C-shaped paper path, a 250-sheet input tray, a letter-size scanner, a 35-sheet simplex document feeder that is recessed into the top, and duplex output.

The WorkForce Pro WF-3720 ships with four new 702 series DURABrite Ultra pigmented inks. The \$19.99 black ink yields 350 pages, and the \$12.99 color inks yield 300 pages. Epson also sells new higher-yielding 702XL ink tanks. The \$34.99 black ink prints 1,100 pages, and the \$26.99 color inks print 950 pages. The lowest page costs are pretty reasonable at 3.2¢ for black and 11.7¢ for color.

While Epson sells certain discounted packs of ink, there is no such pack with four 702XL tanks. Meanwhile, Epson still has no direct alternative to the lower costs and convenience of HP’s Instant Ink supplies replenishment program.

Next, the \$179 WorkForce Pro WF-4720 replaces the \$199 non-Pro WorkForce WF-3640. In addition to the lower price, the new AIO brings very significant improvements in print speeds and operating costs over its predecessor — more so than for any of the other new WorkForce Pro models.

The key enhancement is the upgrade from Epson’s 2S to 4S PrecisionCore printhead. The 4S printhead is faster, especially for color printing. Thus, the ISO color print speed has gone from 10 to 20 ppm, while the ISO black print speed has increased from 19 to 20 ppm. The ISO duplex print speeds are also notably faster (*12 vs. 9.2 ppm for black and 12 vs. 6.3 ppm for color*). And the ISO copy speeds have increased from 17 to 20 ppm for black and from 9 to 18 ppm for color. However, Epson quotes a 25% lower monthly duty cycle of 15,000 pages and a 13% lower recommended monthly print volume of 1,300 pages.

Even though the WF-4720 costs 10% less than its predecessor, operating costs are as much as 40% lower for black and 27% lower for color. The AIO ships with four new 802 series DURABrite Ultra pigmented inks. The \$37.99 black ink yields 900 pages, and the \$24.99 color inks yield 650 pages. Epson also sells new 802XL ink tanks with



Epson’s new WorkForce Pro series starts with the \$149 WF-3720. It replaces the \$169 WF-3620, which was a regular (*i.e., not a Pro*) WorkForce device.

Epson’s latest AIOs introduce a new industrial design and new inks, while cutting back on certain paper-handling features. More importantly, the new AIOs are priced 10-33% less than the old ones.

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higher yields. The \$49.99 black ink prints 2,600 pages, and the \$39.99 color inks print 1,900 pages. The lowest page costs are pretty aggressive at 1.9¢ for black and 8.2¢ for color. However, the \$170 price tag for a set of four 802XL ink tanks is nearly as much as the price of the new AIO itself. And while Epson sells certain discounted packs of ink

Tiny Primera and Pantum Face Divergent Channel Challenges

Two of the smallest vendors in the AIO/MFP market – Primera and Pantum – are heading in opposite directions when it comes to product availability in the US market.

US-based Primera launched its Trio mobile inkjet AIO two years ago. It was the first new product to utilize inkjet technology from Funai following Funai's 2013 purchase of Lexmark's inkjet technology and business. Originally, the Trio was available only from relatively small B&H and Adorama, as well as directly from Primera. A few months later, Primera added CDW and Newegg. Now, the company has significantly expanded the channel for the Trio. The product is also currently available online from Staples (*including Quill*), Walmart (*including Jet.com*), and Overstock.com.

The only direct competition to Primera's Trio, is HP's Officejet 250 Mobile. While Primera is currently offering the \$399 Trio for \$329, HP is discounting the \$349 price of its far more compelling Officejet 250 to just \$279.

Meanwhile, China's Pantum found itself in April without a single one of its A4 monochrome laser MFPs available in any outlet anywhere in the US. Pantum has long struggled in to gain retail partners for any of its products, which first began shipping in China more than six years ago.

For the most part, a few Pantum models have been available in the US mainly at Newegg and Rakuten. Even then, Pantum did not obtain any channel placements in the US for any of its MFPs until 2014. Since then, there has seldom been more than one MFP model available in the US, even though Pantum's global web site currently shows the company having 22 distinct A4 monochrome laser MFPs models and/or configurations available. ❏

Updates & Amplifications

In our story in the March issue on the latest business inkjet AIOs from **Epson**, we mistakenly described the WF-C869R as being part of Epson's new WorkForce Enterprise product line. In fact, the 24 ppm A3-size WF-C869R is a WorkForce Pro model, just like the WF-R8590 it replaces. In the US, the only member of the new WorkForce Enterprise product line so far is the 100 ppm WF-C20590. A related 75 ppm model called the WF-C17590 is available in Europe. And in Japan, these same new 75 and 100 ppm A3 multifunction products will be sold as the WorkForce Enterprise LX-7000F and LX-100000F.

tanks, there is no such pack containing four 802XL tanks.

The other AIO and paper-handling features of the WF-4720 are the same as those described above for the WF-3720. However, that also means the WF-4720 lacks certain features from the old WF-3720, including a second 250-sheet paper tray, a duplex document feeder, a larger 3.5" color touchscreen, and a single-sheet rear feed paper tray.

Next, the \$199 WorkForce Pro WF-4730 replaces the \$299 WorkForce Pro WF-4630. The new model gains modest improvements in speed, enhanced scanning, NFC support, and a price that is one-third lower than the WF-4630. But it also has more limited paper handling (*i.e., a simplex vs. duplex document feeder and no 80-sheet rear paper tray*) and a smaller (2.7" vs. 3.5") color touchscreen. Like the WF-4630, the new WF-4730 has dual 250-sheet paper input trays, although Epson's collateral is inconsistent on that point.

And while the WF-4730 uses the same new ink tanks as the WF-4720, the ink yields, supply prices and page costs associated with the new supplies are pretty much in line with those for the older supplies that are used in the WF-4630.

Finally the new \$299 WF-4740 replaces the \$399 WF-4640 as the flagship model is Epson's most widely available series of WorkForce Pro AIOs. Not only is the WF-4740 priced 25% less than the current model, it has the distinction of being Epson's fastest ever A4 inkjet MFP.

Even though the WF-4740 uses the same 4S Precision-Core printhead as the WF-4720 and WF-4730, Epson has boosted the ISO print speeds from 20 to 24 ppm for black and from 20 to 22 ppm for color. And for both color and black output, the ISO duplex print speeds on the WF-4740 are 3 ppm faster (14 vs. 11 ppm), and the ISO copy speeds are also 3 ppm faster B&W (22 vs. 19 ppm).

At the same time, the other features of the new WF-4740 are not that different from the current WF-4640. Both models have a 4.3" color touchscreen. The duplex document feeder on the new AIO hold 50 sheets, instead of 35 sheets. And while the WF-4740 lacks the 80-sheet rear feed paper tray of the WF-4640, it has NFC support and the previously mentioned scanning enhancements.

The new AIO also weighs a few pounds less and is more compact. As with the WF-4730, Epson's marketing materials for the WF-4740 are contradictory on the fact that the new AIO comes with dual 250-sheet paper input trays.

Lastly, the WF-4740 uses the same new ink tanks as the WF-4720 and WF-4730. As mentioned previously, the yields, prices and page costs with those supplies are similar to those for the existing WF-4640. ❏



The \$299 WF-4740 replaces the \$399 WF-4640 as the flagship is Epson's new WorkForce Pro series. It is also Epson's fastest ever A4 inkjet MFP.

HP: Lackluster A3 Launch Contrasts with Hype Last Fall ↪ ... from page 1

product launch in HP's history, and failing to meet that initial delivery milestone would have been a troubling sign.

Another Pre-Shipment Update

Early this year, HP had provided industry analysts and press with an update on the progress of its high-profile push into the A3 market. Nearly all of the information shared concerned recruitment of resellers (*The MFP Report, Jan 17*). And we continue to be impressed by HP's enticing series of web ads entitled "The Wolf" (*The MFP Report, Feb 17*).

Then a few days before the April 5 announcement, HP reached out again to industry press and analysts. This time the main focus was on its cloud-based Smart Device Services (SDS) capability. HP explained that SDS has now been integrated into eleven US and international ERP applications and MPS software tools that are commonly used by dealers. Specifically, SDS has been integrated with software from BITS, Bluemega, docuFORM, ECI, EKM, JetAdvice, MWAI, Netaphor, Oberon, OneStop MPSPortal, and PrintFleet.

HP believes SDS will enable its dealers to lower their service costs by 15-30%, with an average expected savings of 17.6%. HP said the savings has five components: (1) 2.5% from diagnosing problems before dispatching technicians; (2) 6.5% from remote remediation of problems; (3) 3.6% from providing on-demand service training; (4) 3% from improved supplies management; and (5) 2% from finding "missing" devices at client sites and billing for their use.

The above figures do not factor in additional savings HP believes will accrue from its use of high-yield supplies and modular components that are easier to swap out.

HP stated it was already seeing a first-time fix rate of nearly 100% for reported problems with SDS, versus what it said was an industry average of 84%. However, an MFP will have to be using genuine HP supplies (*except in China*) in order for the dealer to be able to utilize SDS on that unit.

HP also provided a brief update on reseller recruitment. HP said it had 495 resellers worldwide for its new A3 models. In the April 5 press release, the figures was "over 500." HP stated it had signed more than 90% of the resellers it initially targeted. About 70% of these companies are deal-

ers; the rest are mostly MPS providers with service capabilities. About 60% of the companies were already HP partners for A4 products, and the other 40% are new. HP is counting on these partners to handle all but the top 6,000 accounts worldwide, which HP will handle on a direct basis.

HP explained it is relying on a "new hybrid direct approach" to get hardware, supplies and parts to its authorized A3 resellers. HP is not selling directly to any of them. Rather, it is working through a group of distributors signed specifically to handle the new products. In some cases, the distributors were already working with HP (*see sidebar regarding ALSO*), but not all existing HP distributors are authorized to carry the new MFPs. And in other instances, HP is signing up distributors that are new to the company.

In all cases, however, the new models are available only to HP's specially authorized A3 resellers. The distributors are acting more like outsourced logistics partners, much in the way Sharp relies on Tech Data to get its full line of MFPs to its own authorized dealers in the US. HP said it should take less than a week for resellers to receive orders, and distributors will not drop ship orders directly to end users.

Lastly, HP touched on how it plans to generate A3 awareness among end users, starting in May. HP mentioned a comprehensive social media campaign; editorial engagement with print publications; and customer visits to HP Printing Experience Centers in Palo Alto, Boise and San Diego.

An Inexplicable Predicament

Unfortunately, HP never got around to providing details about any of its new MFPs in the seven months after the initial preview in Boston. Aside from the two phone updates — which offered very scant information on the products themselves — HP's marketing pretty much went straight from "stay tuned" back in September to "they're here" in April.

Frankly, this is a pretty common problem when a vendor opts for a big early product preview. All the energy and excitement is front-end loaded. There is always a vague intention to follow through with all the details by the time the products actually ship, but it seldom happens that way.

HP disseminated datasheets to analysts for all of the new models after the April 5 announcement. But so far, HP has said nothing about any of the core features — except for SDS and security — that cut across the new product line.

There has been nothing shared about the updated FutureSmart 4.0 controller that powers the new MFPs; the redesigned control panel and user interface that debuts on these machines; or the

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Despite HP's statements to the contrary, on its web site the company at the end of April still had provided no list of its new A3 LaserJet MFPs, no complete specs for any of the devices, no information on solutions or common features, and no way for an interested buyer to find or contact a local dealer. More importantly, HP is absolutely adamant that it has no intention of providing any kind of list prices to anyone except its dealers.

HP's new FutureSmart 4.0 controller platform features a tablet-style user interface.



ALSO to Distribute A3 for HP

On April 26, Switzerland's ALSO Holding AG became the first company to officially announce an agreement to distribute HP's new line of A3-size laser and inkjet office MFPs to authorized resellers. ALSO will provide logistics, staging, supplies replenishment and related services across 15 countries in northern and central Europe. ALSO is Europe's third largest IT distributor, with sales last year of almost €8 billion (\$8.9 billion) and approximately 3,500 employees. The 33-year old company's portfolio encompasses more than 188,000 products from 500 vendors. ALSO already distributed selected hardcopy products from Brother, Canon, Epson, HP, Lexmark and OKI.

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range of HP and third-party solutions that are supported on these devices. And forget about more mundane things like speeds and feeds, paper-handling, and supplies.

More importantly, HP is absolutely adamant it has no intention of providing any prices to anyone except its channel partners. At the same time, HP says it has established list prices for the MFPs, and it is providing discounts to dealers that are comparable to those from other vendors.

HP would only say its hardware prices will be competitive with prices from the main vendors it is targeting, which are Kyocera, Sharp and Toshiba. By implication, this probably means HP expects its products to sell at a modest discount to those from Canon, Ricoh, Konica Minolta and Xerox.

Having said that, we quickly came across a price list online from a public sector customer. It included an "HP List Price" for each MFP, accessory and option, and it also included contract purchase prices for those same items.

Two things stood out, assuming these prices are accurate. First, the purported list prices are high, ranging from \$9,067 for a basic 25 ppm B&W model, to \$32,749 for an advanced 60 ppm color MFP. List prices for accessories are also high, like \$8,000 for a high-capacity tray and \$10,000 for a bookletmaker. Second, the end-user discount is listed as 75%. That would be extremely high for HP to provide to a reseller, let alone for a reseller to give to a customer. The ease with which one can find prices like these online should make HP reconsider its policy of not publishing list prices.

Just as concerning is the fact that HP is providing so little information on its own web site to would-be customers. Looking at the web site, one would assume the products are not yet available and will not be for some time. The new models do not even appear when one peruses HP's vast array of printers and MFPs. Is this really how HP wants to handle its biggest hardcopy business initiative of 2017?

Despite specific statements to the contrary, HP was sharing just cursory snippets of information for some of the new models on its web site on April 5. And nothing had changed by the end of the month. We have seldom seen a web site with so many screens to scroll through that say so little.

HP's main A3 MFP web page has links to explore security, PageWide technology and MPS, but the pages where users are taken fail to provide much in the way of content. There are a few "Learn more" buttons here and there, but those as well do not lead to anything useful. Moreover, there is no mention of any of the new A3 LaserJet MFPs. One gets the impression all of the new models are PageWide devices.

Nowhere can one find a list of the new models or any guidance as to how they compare in terms of speeds, features, color, or laser versus inkjet technology. And on the off chance a shopper knows a specific model name and looks for it on *hp.com*, the search function returns no hits.

Likewise, there is no way to find a local dealer or MPS provider. Instead, HP includes "Contact us" buttons all over the web site. These are not for real-time chatting. Instead,

one fills out an online form. Talk about delayed gratification.

Lots and Lots of LaserJets

Perhaps the reason HP has not provided detailed information on its web site for each of the new MFPs is because there are so many of them. In its press release, HP mentioned 54 SKUs, acting like going from zero to 54 models overnight in the A3 market is a good thing. It's not. There are so many models, I dreaded going through all the specs. As an analyst, I have to, but would I do it as a customer?

It also does not help that the model numbers are cumbersome. All of the new LaserJet model numbers start with an "E," followed by a five-digit number (*the last two digits are the speed*), and then one or two more letters. There are also "Managed" models and "Managed Flow" models. Frankly, we question the use of "Managed," since it implies the products are available only on MPS engagement.

The new A3 LaserJet MFP lineup is a bit simpler once one gets inside HP's head. Putting aside the LaserJet 436 for developing markets, there are six new monochrome models and six new color models. The B&W models have speeds of 25, 30, 35, 40, 50 and 60 ppm. And the color models have speeds of 22, 25, 30, 40, 50 and 60 ppm.

Each of these models is available in two configurations. The basic LaserJet Managed MFPs have model numbers that ends with "dn," and the more advanced LaserJet Managed Flow MFPs have model numbers that ends with "z." Six B&W models plus six color models times two configurations of each is 24 SKUs. The table below lists these models and the Samsung MFP engines on which they are based.

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Perhaps the reason HP has not provided detailed information on its web site for its new MFPs is because there are so many of them. In its press release, HP mentioned 54 SKUs, as if that were a good thing. It's not. There are so many models, I dreaded going through the specs. As an analyst, I have to, but would I do it as a customer?

LJ Model	Type	Speed	Based On	"List"
E72525dn	B&W	25 ppm	Samsung MultiXpress K4250LX	\$9,067
E72525z	B&W	25 ppm	Samsung MultiXpress K4250LX	\$11,837
E72530dn	B&W	30 ppm	Samsung MultiXpress K4300LX	\$10,388
E72530z	B&W	30 ppm	Samsung MultiXpress K4300LX	\$13,158
E72535dn	B&W	35 ppm	Samsung MultiXpress K4350LX	\$11,709
E72535z	B&W	35 ppm	Samsung MultiXpress K4350LX	\$14,478
E82540dn	B&W	40 ppm	Samsung MultiXpress K7400GX	\$17,598
E82540z	B&W	40 ppm	Samsung MultiXpress K7400GX	\$20,367
E82550dn	B&W	50 ppm	Samsung MultiXpress K7500GX	\$22,470
E82550z	B&W	50 ppm	Samsung MultiXpress K7500GX	\$25,139
E82560dn	B&W	60 ppm	Samsung MultiXpress K7600GX	\$26,630
E82560z	B&W	60 ppm	Samsung MultiXpress K7600GX	\$29,400
E77822dn	Color	22 ppm	Samsung MultiXpress X4220RX	\$10,507
E77822z	Color	22 ppm	Samsung MultiXpress X4220RX	\$13,277
E77825dn	Color	25 ppm	Samsung MultiXpress X4250LX	\$11,317
E77825z	Color	25 ppm	Samsung MultiXpress X4250LX	\$14,086
E77830dn	Color	30 ppm	Samsung MultiXpress X4300LX	\$12,638
E77830z	Color	30 ppm	Samsung MultiXpress X4300LX	\$15,407
E87640dn	Color	40 ppm	Samsung MultiXpress X7400GX	\$20,904
E87640z	Color	40 ppm	Samsung MultiXpress X7400GX	\$23,673
E87650dn	Color	50 ppm	Samsung MultiXpress X7500GX	\$25,719
E87650z	Color	50 ppm	Samsung MultiXpress X7500GX	\$28,488
E87660dn	Color	60 ppm	Samsung MultiXpress X7600GX	\$29,979
E87660z	Color	60 ppm	Samsung MultiXpress X7600GX	\$32,749

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FutureSmart 4.0. Almost all of the most important differences between HP's new LaserJets and the underlying Samsung MFP platforms — which were launched one to two years ago — come from HP's new FutureSmart 4.0 controller and related changes to the control panel and UI.

There is actually quite a bit that is new with FutureSmart 4.0. Moreover, every LaserJet Enterprise MFP HP has launched since 2010 can be upgraded in the field to use the FutureSmart 4.0 firmware. It is the kind of thing one might think HP would make a point of clearly explaining.

The good news is that HP has prepared an 8-page FutureSmart 4.0 white paper that summarizes what is new. The challenge is actually to find that white paper. You cannot find it using the *hp.com* search function, and there is no link to it on HP's A3 MFP web pages. Nor did HP mention it to analysts. We stumbled upon it with a Google search.

Aside from the previously discussed security features and support for the new SDS capability, the most important and visible changes associated with the FutureSmart 4.0 controller relate to the new user interface. Unlike the previous EasySelect interface, HP does not appear to have a name for the new UI. HP calls it "modern" and "tablet-like" with swipe, rotate, and drag-and-drop capabilities. But HP's new UI shares nothing with Samsung's Android-based Smart UX.

In terms of hardware, all of the new MFPs have an 8" color touchscreen. That is nice, but it is one-third smaller than the 10.1" touchscreens popular on most competing MFPs. And the Flow models add a retractable keyboard.

The new home screen has Copy, Scan, Print and Fax folder icons, with apps stored in each folder. Previewing and editing images is now enabled for scanning and copying. And there is support for 10 screens with 15 icons per screen. Partners can also now change the background wallpaper.

A new Message Center provides drop-down notifications and helpful animations. A swipe to the left takes one to a half-dozen "usability apps" for HP JetAdvantage Solutions, Quick Sets (*which are shortcuts*), Supplies, Trays, Contacts, and Reports. Another swipe to the left takes one to a screen for Settings, Support Tools, and Job Logs. And the interface for the embedded web server has also been updated.

As for solutions, FutureSmart 4.0 supports HP's web services based Open Extensibility Platform (OXP). Current HP and third-party OXP solutions — HP says there are more than 300 of them — will work on the new platform, but some may require updates to the UI. While HP is slowly adopting the "app" nomenclature, it is unclear what apps are available, and there is no app store. Indeed, HP made no effort to link last year's JetAdvantage On Demand Portal to this year's new MFPs, even though it now has 500+ resellers who should be interested in selling such software.

The hardware specs for the FutureSmart 4.0 controller are nearly identical across all of the new A3 LaserJet MFPs.

The controller has an unspecified 1.2 GHz processor, and there is no mention of multiple cores. The Managed

MFP models have 6 GB of memory and a 320 GB hard drive, and the Managed Flow models have 7 GB of memory and dual 320 GB hard drives. The hard drives have 256-bit AES encryption and secure erase.

For connectivity, all of the new MFPs have Gigabit Ethernet, two USB host ports, a USB device port, and a slot for various optional JetDirect cards, including a WiFi card.

There is also a Hardware Integration Pocket below the control panel to connect various optional ID card readers. There are no other controller options.

There are no discernible advances in the MFP functionality with the latest FutureSmart controller.

PCL, PostScript and PDF printing are standard, along with AirPrint for mobile printing. But HP makes no mention of supporting Google Cloud Print or Mopria. The MFPs have HP's usual network scanning features, including connectors for scanning directly to Microsoft Office 365 and SharePoint. The Managed Flow models also have HP's EveryPage technology (*i.e., ultrasonic misfeed detection*) and embedded OCR, which likely comes from Canon's IRIS unit. All of the new MFPs have certain advanced scanning features, such as auto color detection, auto image cropping, and auto orientation. And a 33.6 Kbps fax modem is also standard.

Hardware Platforms. Underlying HP's dozen new A3 LaserJet MFPs and 24 new SKUs there are really just two platforms. One platform is for the 40-60 ppm color and B&W models; the other platform is for the 22-35 ppm color models and the 25-35 ppm monochrome models. And there are a lot of similarities in design and paper handling between the two sets of faster and slower MFPs.

Having said that, HP's spec sheets are sadly deficient. The options are strung together in a single paragraph. There is no indication which go together and which are alternatives, and there is no mention of maximum paper capacities or finishing features. More detailed brochures with configuration information do exist (*thank you Google*). But because one cannot find them from inside *hp.com*, many would-be buyers may never see them.

The 25-35 ppm B&W models weigh 150 pounds, and the 22-35 ppm color models weigh 177 pounds. But their dimensions are pretty similar, measuring about 22" wide, 19" deep, and either 33" or 35" high.

Each MFP ships with a 100-sheet multipurpose tray, a 520-sheet letter tray, a 520-sheet universal tray, duplex output, and a 500-sheet internal exit tray. Customers can add dual 520-sheet universal trays and a 2,000-sheet letter tray, for a maxi-

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The 25 ppm monochrome E72525dn is the entry-level model in HP's new line of A3-size of LaserJet MFPs in the US.

The 60 ppm color E87660z is the top-of-the-line model in HP's new line of A3-size LaserJet MFPs worldwide.



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mum paper capacity of 4,180 sheets. For output, there is a choice of either an inner finisher, a floorstanding stacker/stapler, or a bookletmaker version of that same finisher. And hole-punch kits are available for each of these finishers.

There are two different single-pass duplex document feeders. The one on the Managed models holds 100 sheets and scans at 80 ipm simplex and 160 ipm duplex, and the one on the Managed Flow models holds 250 sheets and scans at 120 ipm simplex and 240 ipm duplex.

All of the sub-40 ppm models share the same monthly duty cycle, which is 200,000 pages. But the recommended monthly print volumes are 50,000 pages for the monochrome MFPs and 30,000 pages for the color MFPs.

As for supplies, the monochrome models have a 48,000-page toner cartridge, a 200,000-page drum unit, and a 100,000-page toner collection unit. Meanwhile, the color MFPs have a 34,000-page black toner cartridge and 32,000-page color toner cartridges; HP does not mention drum units or toner collection units for the 22-30 ppm color MFPs.

Not surprisingly, the 40, 50 and 60 ppm color and B&W models are a larger. The B&W MFPs weigh 210 pounds, and the color MFPs are 290 pounds. But their dimensions

are identical at 23" wide, 30" deep, and 37" high.

Each MFP has a 100-sheet multipurpose tray, a 520-sheet letter tray, a 520-sheet universal tray, duplex output, and a 500-sheet internal exit tray. Customers can add dual 520-sheet universal trays and either a 2,000-sheet universal tray or a 3,000-sheet letter tray, for a maximum paper capacity of 5,180 sheets. For output, there is a choice of a job separator tray, an inner finisher, a floorstanding stacker/stapler, and a bookletmaker version of that finisher. Hole-punch kits are available for each of the three finishers.

Like the slower MFPs, these faster ones use two single-pass duplex document feeders, although both hold 250 sheets. As a result, the Managed models scan at 90 ipm simplex and 180 ipm duplex, and the Managed Flow models scan at 120 ipm simplex and 240 ipm duplex.

All of the 40-60 ppm models share the same duty cycle of 300,000 pages per month, but the recommended monthly print volumes are 100,000 pages for the monochrome MFPs and 50,000 pages for the color MFPs. In terms of supplies, the B&W models have a 69,000-page toner cartridge, a 396,000-page drum unit, and a 300,000-page toner collection unit. The color MFPs use a 54,500-page black toner cartridge and 52,000-page color toner cartridges, but there is no mention of drum or toner collection units. ❏



The main differences between HP's new LaserJets and the underlying Samsung MFP platforms – which were launched one to two years ago – is HP's new FutureSmart 4.0 controller and related changes to the UI.

Canon Debuts Its First Low-Cost A3 Color imageRUNNER MFP in China

On April 8, Canon became the latest vendor to launch a lower-priced A3 color MFP specifically for emerging markets, joining a trend that has attracted Konica Minolta, Ricoh and Fuji Xerox. Canon announced the 20 ppm imageRUNNER C3020 in Beijing at its Business Imaging Program Partner Conference. The event was part of a larger initiative to have B2B sales generate 50% of Canon's revenue in China by 2020. China is already Canon's fastest growing market

So far, the iR C3020 has been launched only in China, where it debuted alongside nine iR ADVANCE MFP models. However, Canon is likely to make the C3020 available in other emerging markets. Canon has continued to sell and occasionally add a few B&W iR models in emerging markets in recent years, but the C3020 is the first non-ADVANCE iR color MFP that Canon has launched in a decade.

Like Ricoh and Konica Minolta – but unlike Fuji Xerox – Canon's iR C3020 shares the same platform as similar speed but more capable color MFPs in its product line. In this case, the iR C3020 shares the same engine as the 20, 25 and 30 ppm iR ADVANCE C3520, C3525 and C3530 that were recently announced in China. In the US, Canon has launched the more enhanced but still closely related iR ADVANCE C3525i and C3530i (*The MFP Report, Mar 17*).

Canon is not very clear about the differences between the entry-level iR C3020 and the more capable iR ADVANCE C3520. Nor has Canon released pricing yet in China for either of these 20 ppm A3 color MFPs. From the specs, there appear to be differences in the controller, user interface, and paper handling. However, but both MFPs share the same

supplies and should have the same operating costs.

On the outside, the only noticeable difference between the models is the control panel. The C3020 has a 5" color touchscreen, while the C3520 has a 10.1" color touchscreen, but both models use versions of Canon's latest UI. The C3020 controller has 2 GB of memory and an optional hard drive, versus 3 GB of memory and a 250 GB hard drive on the C3520. Ethernet and USB ports are standard, and WiFi is optional. However, there is not much information yet on the standard and optional MFP features or solution support on the iR C3020.

In terms of paper-handling, the limitations of the iR C3020 are more straightforward. The new MFP has an optional 100-sheet recirculating document feeder with scan speeds of 55 ipm for simplex and 27.5 ipm for duplex. There is no support for the new 150-sheet single-pass duplex document feeder on the C3525i and C3530i. That feeder scans at 80 ipm for simplex and 160 ipm for duplex.

As for handling output, the C3020 supports either a simple exit tray or an internal finisher. However, it does not support the floorstanding finisher with optional saddlestitching and hole punching that is available for the related iR ADVANCE models.

On the other hand, the paper supply is the same on C3020 as on Canon's related MFPs. The C3020 comes with dual 550-sheet universal trays and a 100-sheet multipurpose tray. And the only option is a another pair of 550-sheet multipurpose trays, for a total of 2,300 sheets. ❏



With the new 20 ppm imageRUNNER C3020, Canon joins other vendors with color MFPs optimized for emerging markets.

QBit: Qualcomm Printer Chip Unit Now Its Own Company ↻ ... from page 1

A Long History. QBit is the former hardcopy chip portion of the embedded print technology business owned by Qualcomm. The San Diego silicon powerhouse had \$23.5 billion in revenue last year, and its business is synonymous with the mobile phone market. Qualcomm inadvertently found itself in the printing business two years ago with its \$2.4 billion acquisition of CSR (*The MFP Report, Aug 15*).

CSR had owned a relatively small imaging business that was active in two areas of the hardcopy market. Specifically, the group developed embedded software — primarily emulations for HP’s PCL and Adobe’s PostScript page description languages (PDLs), plus printer drivers and mobile device rendering software — and it developed a line of system-on-a-chip (SOC) processors that power MFPs and printers. It is the chip portion of the business that now operates as QBit.

CSR had gotten into the printing business when it purchased the former Zoran for \$679 million in 2011. In turn, Zoran had acquired that same printing business when it purchased Oak Technology in 2003 for \$358 million. And Oak had gotten into the business when it bought Xionics for \$70 million back in 1999. Xionics had begun developing its first hardcopy chips in-house a few years after it purchased the PDL software business from Phoenix Technologies in 1994.

So much for the history lesson. The key takeaway is that printing was an afterthought for Qualcomm, just it was for the most part at CSR and Zoran. The unit was dragged along through a series of acquisitions that were focused on larger market opportunities for the better part of fifteen years.

The end result was that the print technology business Qualcomm acquired in 2015 was number one or number two in both segments of the hardcopy industry in which it participated, but that is not necessarily saying a lot. Our guess is the whole unit did somewhere between \$60 and \$80 million in annual revenue in the past couple of years. And the unit was said to have been consistently profitable.

Nonetheless, that level of revenue would amount to just 0.3% of Qualcomm’s total sales last year. And even a healthy profit in the print technology business would pale in comparison to the \$5.7 billion profit Qualcomm reported in 2016.

Within Qualcomm’s imaging unit, the PDL/software side of the business reportedly generated somewhat more revenue and was also more profitable than the SOC side of the business. And that seems to have been what motivated Qualcomm to jettison the chip portion of the printing unit, while retaining the software portion of this nonstrategic business.

From what we gather, Qualcomm never actually tried to sell either the Quatro printer/MFP chip business or the entire imaging technology unit. Rather, Qualcomm last summer quietly laid off the 40 or so engineers and staff in Boston and Taipei who had worked on the Quatro printer/MFP chips. Those layoffs were just a tiny fraction of the 2,500 employees (*out of 33,000*) that Qualcomm let go in 2016

In addition, even before the layoffs, Qualcomm had never put any investment into new Quatro SOCs. It simply main-

tained sales and support for the existing line of Quatro chips that had been developed while the printing unit was part of CSR. The lower-end Quatro 5300 series debuted in 2012 (*The MFP Report, Apr 12*), and the higher-end Quatro 5500 series came out in 2015 (*The MFP Report, Jul 15*).

The printer SOC engineers Qualcomm laid off last summer began working immediately for what has become QBit, but the managing director of QBit did not formally exit from Qualcomm until this spring. That explains the delayed public discussion of QBit as a new company. The first order of business for the new company has been to obtain funding. And even now, the QBit web site is still under construction.

New Investors. QBit has been surprisingly successful finding investors, especially given its relatively small size, and the less than stellar prospects and reputation these days for the printer and MFP market. The company has already received an investment from Taiwan-based New Kinpo Group (NKG), and QBit “is expecting follow-on investment soon from two more strategic partners: a major Japan semiconductor company and a major Japan printer company.”

QBit declined to characterize the size, amounts or ownership stakes related to any of these investments. As a result, the implicit valuation for QBit is not known.

NKG is an interesting fit for QBit. It is the world’s eighth largest “electronic manufacturing services (EMS) and original design manufacturing (ODM) company.” However, NKG is not nearly as well known as some of its larger competitors, such as Foxconn, Jabil and Flextronics.

NKG operates worldwide via several subsidiaries, including Kinpo Electronics, Cal-Comp Electronics, and XYZ-printing. Kinpo Electronics and Cal-Comp Electronics provide EMS/ODM services, while XYZprinting manufactures its own branded line of 3D printers for the consumer market.

NKG was founded in 1973 and got its start manufacturing calculators. It became a public company on the Taiwan Stock Exchange in 1989. And NKG today manufactures a broad range of products, including storage, printers, network-attached storage, wireless and broadband, digital home, consumer electronics, wearables, 3D printers, robotics, power management and smart grid, industrial, automotive, security, medical/healthcare, and emerging technologies

NKG ended 2016 with \$4.1 billion in revenue, net income of \$39 million, and \$214 million in cash. The company has a market cap of approximately \$530 million.

QBit believes it has synergies with NKG’s EMS/ODM business in the hardcopy market. Indeed, NKG has a long behind-the-scenes history in printing. The company began manufacturing desktop printers in 1998. Since then, it has gone on to manufacture a broad range of A4 business color and monochrome laser printers and MFPs, consumer inkjet AIOs, and wide format inkjet printers. NKG has also manufactured various subsystems and components for hardcopy devices, including control panels, document feeders, laser

↻ ... to page 24



Our guess is that Qualcomm’s entire imaging unit did somewhere between \$60 and \$80 million in annual revenue in the past couple of years, and the unit was said to have been consistently profitable. That kind of revenue would amount to just a minuscule 0.3% of Qualcomm’s total sales last year. The PDL/software side of the imaging business unit reportedly generated somewhat more revenue than the SOC side of the business, and the software part of the business was also more profitable.

QBit: New Chip Company ... from p. 20

imaging units, contact image sensors, and WiFi modules.

Most of the laser printers and MFPs that NKG has manufactured have been for Lexmark, and many of the inkjet AIOs it has manufactured have been for HP. Interestingly, neither of those top vendors has ever been a significant customer for any of the Quatro SOCs. However, QBit says it has supplied Quatro chips over the years for a few other hardcopy products that were manufactured by NKG.

Assessing QBit's Future. While QBit is an independent company focused on developing new chips, Qualcomm retains ownership of all the current Quatro SOC parts it acquired with the purchase of CSR in 2015. Qualcomm will continue to manufacture those chips for existing customers and their hardcopy devices, and it will also market and sell the current chips for use in new MFPs and printers.

QBit has entered into an arrangement with Qualcomm to sell and support the existing Quatro processors, and it says both companies are committed to ensuring there is no disruption for current or new customers using those chips.

In addition, QBit has entered into a license agreement with Qualcomm that enables it to develop new Quatro SOCs. The new chips will be owned, marketed, sold and supported only by QBit. The company presently has 25 engineers in Taipei and 15 engineers at its new office in Littleton, Massachusetts working on new chip designs. And the Japanese chip maker that is expected to invest in QBit shortly will become the manufacturing partner for those new chips.

QBit will be able to sell its own new chips with the PDLs and related imaging software that Qualcomm still owns. However, QBit will not be able to cooperate similarly with PDL competitors like Global Graphics and Monotype.

QBit acknowledges it faces a "last man standing" situation in which it and Marvell are the only remaining independent developers of SOCs that power printers and MFPs. Conexant, which had spent more than a decade leveraging its legacy fax modem chips with a line of printing SOCs, has not launched a new hardcopy chip in more than five years. Indeed, Conexant is pretty much out of the hardcopy business now and is focussed instead on voice-related chips. There were rumors in April that Conexant might be acquired by Synaptics, which is known for its fingerprint reader chips.

QBit believes its hardcopy SOC business is about the same size as Marvell's, but Marvell is a much larger, diversified chip developer. The publicly-traded company reported \$2.3 billion in revenue and net income of \$21 million in 2016. Marvell includes its printer SOCs – along with its communications and application processors – in the "Other" category, which had \$252 million in revenue last year.

According to QBit, HP and Lexmark are the main customers for Marvell's printer SOCs. HP is an obvious fit for Marvell, which got into the business when it acquired Avago's printer chip unit in 2006. Avago had acquired that unit when it purchased the entire Agilent semiconductor products group in 2005. Agilent had been spun off from HP back in 1999.

There is both similarity and complementarity between Qualcomm/QBit and Marvell in the printer/MFP SOC market. Both companies base their chips on processor cores licensed from UK-based ARM Holdings, which is owned by Japan's SoftBank Group. Marvell's business is focused more narrowly on HP and Lexmark, while the Quatro chips are used by a more diverse group of vendors. And while Marvell alone has a quad-core SOC, both vendors are able to address largely the same kinds of market segments.

Ironically, the Qualcomm imaging unit – and the same unit as part of CSR, Zoran and Oak before that – had always gone out of its way to promote the idea that there were distinct technical and business benefits for hardcopy vendors to source PDLs and SOCs from the same supplier.

Meanwhile, QBit is optimistic NKG's long-standing business with HP and Lexmark may help it win SOC business in those accounts where it has never gotten much revenue.

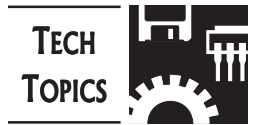
Another factor that could affect the competitive landscape is that Japanese hardcopy vendor which plans to invest in QBit. The question is whether that vendor might inadvertently push away other vendors who otherwise would be inclined to work with QBit, or whether that vendor might even restrict the companies to whom QBit can sell its SOCs.

Not surprisingly, QBit is also looking down the road beyond printing and imaging. The company says it plans to develop more diverse types of "edge computing SOCs." Given the nature and growth of the 3D printing market, and the fact that NKG is already in that business, it would also not be surprising to see QBit work on 3D printing SOCs.

What About the Software? At Qualcomm, the printing software unit says it continues to have full support from the parent company. Qualcomm believes there is still opportunity for growth in that business, which consists primarily of PCL and PostScript emulations, as well as certain print driver software and DirectOffice rendering software.

And although QBit cannot partner for PDLs with Global Graphics or Monotype, there is no restriction on Qualcomm partnering with Marvell on deals for new MFPs or printers.

Other recent developments are also encouraging. Qualcomm appears to be on its way to displacing Adobe and Global Graphics in a recent PostScript deal with Ricoh (see story on p. 11). There may also be upside for DirectOffice, which can be used in both hardcopy devices and mobile devices. HP and Sharp license DirectOffice for many of their MFPs, but DirectOffice has not achieved major design wins in the mobile market. Given Qualcomm's massive footprint in phones, it is possible that could change. ❏



Both Qualcomm and QBit will be able to sell the current line of Quatro SOCs for printers and MFPs. The Quatro 5500 is the flagship part in that product line. It was launched by CSR in mid-2015, just before Qualcomm completed its purchase of that company.

Annual Game of "Who's on First" Shifts from US to Chinese MFP Market

It used to be that hardcopy vendors each spring in the US would battle each other with press releases in which the companies would purport to have the top market share in some segment of the copier/MFP market. Now it is in China where that kind of springtime oneupsmanship takes place.

This year, there were dueling press releases from Toshiba TEC, Fuji Xerox and Konica Minolta in which each vendor claimed some form of A3 MFP market leadership in China.

As has been the case for many years, Toshiba TEC got the ball rolling. On April 17, the company announced it had earned the largest share of the Chinese A3 MFP market in 2016 for the seventeenth year in a row. China has long been the only country where Toshiba has established a record of being a market leader or having significant market share.

Toshiba TEC stated it had achieved a 16.4% share among some 655,200 A3 placements in the Chinese A3 market last year. And while that portion of the Chinese hardcopy market grew 4.8% in 2016, Toshiba TEC said its placements were up 8.4%. That means Toshiba TEC last year boosted its share of the Chinese A3 market from 15.8% in 2015. Toshiba TEC specifically highlighted the role of its entry-level 28 ppm monochrome e-Studio 2803AM series and 2809A series, which the company said were designed to meet the needs of Chinese business customers

Toshiba TEC said in its announcement it was relying on data from Key Research. The small, Japan-based firm focuses primarily on the Chinese printing and office equipment industry and is little known outside the region. Nearly all of the Google search results one finds for Key Research

point to this press release and previous press announcements from Toshiba TEC regarding its market share in China.

Then just a few days later, on April 20, Fuji Xerox issued its own press release in China, stating it was the A3 MFP market leader there in 2016 for the third year in a row. The claim was said to be based on data from IDC. According to Fuji Xerox, it was the market share leader in the Chinese market in three categories: monochrome A3 digital copiers; A3 color MFPs; and the overall A3 market. Moreover, Fuji Xerox stated its A3 placements in China last year were up more than 20%. The company also highlighted the role of so-called "China custom" models, presumably referring to the 20 ppm A3 color DocuCentre SC2020.

Then on April 24, Konica Minolta issued a broad press release at its National Dealer Conference that was held in Chongqing and attended by 400 dealers. Konica Minolta said in its press release it had earned the top spot in the Chinese A3 color MFP market in 2016 for the eleventh consecutive year. Konica Minolta did not indicate the source of data for its claim of leadership in that segment, but it did say its color placements in China were up 37% last year.

Konica Minolta's claim of A3 color leadership is not necessarily at odds with Toshiba TEC's claim of having overall A3 market share leadership in China. Toshiba TEC's monochrome models have historically fared much better in the Chinese hardcopy market than its color devices. But Konica Minolta's claim of A3 color MFP market leadership clearly contradicts the same claim made by Fuji Xerox. ❏



Both Toshiba TEC and Fuji Xerox are claiming A3 market leadership in China last year, and both Fuji Xerox and Konica Minolta claim to be #1 in the Chinese A3 color MFP market.

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